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Walesa's Crisis Prescription: Skip the Sejm, Cure Economy

By Blaine Harden
Washington Post Service

WARSAW — The father of democratic change in Poland is insisting that what the non-Communist leadership here desperately needs to resuscitate a wheezing economy before it expires is a brief respite from democracy.

Lech Walesa proposed that the first democratically elected Sejm, or parliament, in Poland in four decades temporarily abdicate its authority in economic matters.

"I am fully aware of the controversial character of this proposal," said Mr. Walesa, who opted last summer for a symbolic rather than a ministerial role in the Solidarity-led government. "Time is running out."

He insisted that ministers be granted sweeping authority, without parliamentary debate, to change ownership laws, rewrite the tax code, sell off state corporations and decide how local self-government will work.

It is a measure of the depths of Poland's crisis that Mr. Walesa's proposal, even as it has sparked protest, has been given serious attention this week by members of parliament and by government officials. It could be brought up in parliament this weekend.

"Perhaps there is no choice," Ryszard Bugaj, chairman of parliamentary Committee on Economic Policies, told Gazeta Wyborcza, the Solidarity daily.

Asked about Mr. Walesa's idea for non-democratic innovation

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from a government that espouses democracy as its preeminent value, a spokeswoman for Prime Minister Tadeusz Mazowiecki said Wednesday that Mr. Walesa's proposal came as a surprise.

The spokeswoman, Malgorzata Niezabitowska, said the government felt that "parliament's support is of fundamental importance for us in the forthcoming changes." When pressed on whether the government would accept such authority if it were granted by parliament, she said it "would respect a suitable resolution."

If one believes the tight schedule that the government has set for itself in the last two weeks of December, Mr. Walesa seems to have a point. Poland does not appear to have time for parliamentary democracy.

By the first of the year, the government says, it wants to have in place at least a dozen major pieces of legislation that will radically overhaul a legal and economic structure that was put into place over the past 40 years by the Communists.

The changes are expected to slash real incomes by 20 percent in the coming year and cause large-scale unemployment as they force the state-owned and heavily subsidized economy into a free-market mold.

The government has been working night and day for weeks so that the new laws can be given to parliament on Sunday. That would give lawmakers just two weeks to debate the most far-reaching changes in government policy since the Communists came to power.

"It is also true that the Sejm will not have enough time to work on all the bills the government will present it with," said Mr. Bugaj, a Solidarity member and the deputy

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Soviet Plan: a Loss of Nerve?

By David Remnick
Washington Post Service

MOSCOW — Gavriil K. Popov sees the Soviet Union's economic disasters as a matter of hens versus bureaucrats.

"The planning system in our country reminds me of egg production here," said Mr. Popov, an economist and leader of the Inter-Regional Group of radical legislators. "We set down plans that a certain hen will produce 180 eggs this year, 183 the next and 185 the next. Why don't we just leave the hen alone and let her live with her rooster? In thanks for her independence, the hen will provide us with enough eggs."

The Inter-Regional Group spent Thursday at the Kremlin debating whether or not to form the country's first formal opposition group to the Communist Party. They will decide later this week.

It is clear, however, that Mr. Popov, and most others in the group, believe that the Soviet Union badly needs a market-oriented economy,

NEWS ANALYSIS

and that such an "integrated system" must be brought into operation as quickly as possible.

But the Soviet leadership, backed up by the what the historian and legislator Yuri N. Afanasyev calls the "aggressively obedient majority" of the Congress of People's Deputies, has evidently decided that the present moment is too dangerous, too unstable to make such a serious ideological and practical break with the past.

When he addressed the Congress on Wednesday, Prime Minister Nikolai I. Ryzhkov said in essence that much would change in the economy, especially in the consumer sector, but that planners in their Moscow offices, and not consumers, managers or even hens, would continue to dictate the main course of production and distribution for at least the next several years.

The government's decision to limit the liberalization of property laws and to minimize the amount of land available for private farm leases is part, of an overall loss of nerve, according to radicals like Mr. Popov and Mr. Afanasyev.

When Mr. Ryzhkov described the leadership's blueprint for the next five-year plan, the traditional Soviet basis for economic planning, Mr. Popov shot back: "We don't need a 13th five-year plan. We need a first five-year plan of reform: the first to do away with the command-administrative system, the first to liquidate centralism, the first to give independence to the enterprises and the republics."

But it appears that when the 2,100 Congress deputies vote on the economic plan, they will endorse Mr. Ryzhkov's call for "transition" rather than Mr. Popov's demand for "transformation."

As a legislator from Kazakhstan said, "We must take these decisions very carefully. We cannot accept huge rates of inflation, higher unemployment or any of the other prices the neo-capitalists say we must pay to improve our lives."

Similarly, the leadership has put

See SOVIETS, Page 4

The Associated Press

50,000 IN SOFIA PRESS FOR CHANGE — Waving the Bulgarian flag in front of the Alexander Nevski Cathederal, students were among the 50,000 jeering and whistling people who pressed parliament on Thursday to scrap a constitutional guarantee of the Communist Party's monopoly on power. The Central Committee had voted Wednesday to do so. Parliament approved a motion to discuss abolition of the party's leading role, but parliament members said that immediate cancellation would be unconstitutional.

Prague Calls for A Pullout

Government Sees Agreement on Soviet Troops

By Stuart Auerbach
Washington Post Service

PRAGUE — Czechoslovakia's new foreign minister called a 1968 agreement allowing Soviet troops to be stationed here "invalid" on Thursday and sought new talks with Moscow that could lead to their withdrawal.

On the issue of Soviet troops, said Foreign Minister Jiri Dienstbier. "I believe we shall soon be able to arrive at common conclusions and common understandings."

This was the clearest call yet from a leader of Czechoslovakia for the removal of 75,000 Soviet troops stationed here "temporarily" for more than 20 years.

And with easing tensions, it was obvious from the press conference Thursday that the old rivalries between nations of this region of Central Europe are coming to the fore. Mr. Dienstbier was asked repeatedly about the new Czechoslovak government's policies toward its neighbors — Austria, Hungary and Poland — as well as his views about a unified Germany.

He predicted "a comprehensive economic integration" of East and West Germany and said that "very soon there will be an 80 million-strong colossus in the form of a confederation of two states."

This was the first press conference held by a cabinet minister of the five-day-old government, and Mr. Dienstbier made it clear that he was charting a different foreign-policy course for Czechoslovakia — one that would attempt closer links to the prosperous states of Western Europe.

Under the old Communist rulers, he said, Czechoslovakia had been "an iceberg in the center of Europe hindering the process of understanding." Now, he added, it would become "a force for stability" and "a main center promoting European unity."

Mr. Dienstbier, once a correspondent for Czech radio, lost his job and was jailed for opposing the Communist government. He promised a housecleaning at the Foreign Ministry, to weed out diplomats too active in defending "the repressive policies of Czechoslovakia" in international meetings.

As part of that housecleaning, he announced the recall of about 36 ambassadors and said he would fire any diplomat who refused an exiled Czech a visa.

In charting the new course of Czechoslovak-Soviet relations, Mr. Dienstbier said "the main obstacle" to improvement "has been removed" with Moscow's acknowledgment earlier this month that its 1968 invasion had been wrong.

There were reports from Moscow that Soviet generals and party leaders had discussed removing their troops from Czechoslovakia as part of a general retraction from Eastern Europe. It was unclear, though, whether this would be done unilaterally or as part of a broad troop reduction agreement with the United States and its allies in the North Atlantic Treaty Organization.

Mr. Dienstbier said the agreement allowing the troops to stay in Czechoslovakia "was rendered invalid" because it had been made under pressure.

Prague's new political factions, meanwhile, remained stuck over how to pick a president, largely because of discord within the once-monolithic Communist Party.

Back in the closed-door meetings that produced the coalition govern-

See PRAGUE, Page 4

Bonn Sets Back 5-Nation Border Pact

By Barry James
International Herald Tribune

PARIS — A five-nation pact symbolizing the aspiration of West Europeans for a community without borders or passports fell apart Thursday as West Germany found reasons not to sign it for the time being.

Reservations about the convention — all relating to different national interests — had been expressed earlier in the other four countries involved. France, the Netherlands, Belgium, Luxembourg and West Germany have worked four years on the accord, which would allow passport-free travel throughout the area starting Jan. 1.

Representatives from the five countries were to have met on Friday in the Luxembourg border village of Schengen to conclude the agreement.

The principal cause of the setback was the opening of the border between East and West Germany on Nov. 9, which aroused fears that a flood of asylum-seekers from Eastern Europe would seek to settle in the passport-free area.

The West German government said it was postponing signing the key addition to the Schengen agreement so that it could have more time to study the issues raised by the opening of the frontier.

Officials in Bonn said the West German government wanted to be sure that the convention guaranteed East Germans as well as West Germans the right to enter the other signatory countries without passports or formalities — a right the other countries do not recognize.

The issue has again raised the question of whether Bonn is at present more interested in its relationship with the East than in its role in the European Community, diplomats said.

The original Schengen agreement of June 14, 1985, eased border formalities among the signa-

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Libya Cuts Some Links After French Arms Ban

By Youssef M. Ibrahim
New York Times Service

PARIS — Libya has suspended air, sea and communications links with France over the last week in a dispute over a French government decision to withhold the delivery of three Mirage fighter jets and other weapons bought by Libya, French officials said Thursday.

Senior Arab diplomats said France imposed the ban after it came under pressure from a number of moderate Arab countries and the United States and Britain.

These countries asked France to hold off on resumption of weapons deliveries to Libya until an explicit commitment could be obtained from the Libyan leader, Colonel Moammar Gadhafi, to refrain from sponsoring terrorist groups in Libya and elsewhere, including in Lebanon and Western Europe.

The weapons were bought by Libya years ago, but were blocked under a European Community embargo imposed in 1986 as part of sanctions on Syria and Libya for sponsoring terrorist acts.

In mid-November, France abruptly lifted the embargo, saying it would deliver a Mirage-F1 and two Mirages-5, as well as other military hardware. That decision has now been reversed.

The renewed freeze was portrayed by French officials as a reaction to what they described as an interference by Libya in internal French affairs. They said Colonel Gadhafi had sent a letter to President François Mitterrand in mid-November, berating France over its treatment of its Muslim minority.

But senior Arab diplomats said the French move was taken largely in response to pleas from a number of moderate Arab states and some Western countries.

The officials declined to identify the Arab countries, but the Egyptian president, Hosni Mubarak, held intensive talks with the Libyan leader this week that followed several meetings a few weeks ago.

Udo Weitz/The Associated Press

Thousands of East Berliners lining up in the rain Thursday to cross to the West, part of the daily flow of visitors and shoppers.

Kiosk

Beijing Plans Soviet Talks

BEIJING (Reuters) — China and the Soviet Union are planning high-level talks next week. A Soviet Embassy spokesman said Valentin M. Falin, head of the Communist Party Central Committee's foreign affairs department, would lead the Soviet delegation to Beijing.

The two sides would discuss international issues, including the U.S.-Soviet summit meeting off Malta, the spokesman said. Western diplomats saw the visit as balancing a mission to Beijing last weekend by President George Bush's national security adviser, Brent Scowcroft, who in effect ended a U.S. ban on high-level contacts with China.

General News

China will let a Voice of America reporter into Beijing after a five-month hiatus. Page 8.

U.S. nuclear workers were repeatedly exposed to high radiation, data show. Page 3.

Palestinians attacked Syrian troops in south Lebanon, leaving at least 10 dead. Page 5.

Travel

A Caribbean vacation that is not peace and quiet. Page 9.

Business/Finance

Swissair and Singapore Airlines signed a cooperation agreement. Page 15.

Technology Quarterly

A Europe-Asia fiber optic cable, now under discussion, would complete the network's global span. Pages 17-20.

Crossword Page 10.

Dow Close	The Dollar in New York	
2,753.63	DM	1.7336
Down	Pound	1.6015
7.46	Yen	144.155
	FF	5.928

To Our Readers

A labor dispute at the International Herald Tribune's Paris production facility stopped the transmission of Thursday's editions to printing sites in Hong Kong, Singapore and Tokyo. The dispute also halted transmission to the IHT printing plant in Marseille, affecting distribution of the newspaper in some regions of France. The labor dispute had blocked publication of all of the newspaper's editions on Wednesday.

Solid American Values Survive the 'Greed Decade'

By T.R. Reid
Washington Post Service

COLORADO SPRINGS — Like many members of the "Me Generation," Steven Schuck embraced success with a passion — and she hugged him right back.

Bored with his job at a department store here, the ebullient salesman decided in 1982 to try something new. As fast as you can say "real estate syndication," he found himself a captain of commerce, ensconced in a lavish office downtown with four names on the door: Schuck Development Co., Schuck Land Management Co., Schuck Financial Services, Inc., Schuck Commercial Brokerage Corp.

Mr. Schuck, 53, looks like a yuppie — tall, slender, athletic, dark hair that is just starting to gray — and at the start of the decade he acted like one. He bought a solid gold watch and drove a Porsche 911 Targa with a vanity license plate that read "MI-TOY." He moved to the finest subdivision in town, and he became the first Jewish member of the elite Broadmoor Country Club. In terms of money and power, the 1980s were giving him everything he could want.

But near the middle of the decade, Mr. Schuck decided it was not enough. To add meaning to his life, he got involved with the community. He became press spokesman for the Boys' Club, planning chairman for the new burn ward at Penrose Hospital, board member of more charities than he can count. He ran for governor, losing the Republican primary to a career politician. With a friend, he started a foundation to train business people for public service.

Mr. Schuck is no saint. He has a mountain of debts and he worries about paying the bills. He curses like a sailor, punctuating nearly every sentence with a friendly but unprintable obscenity. But he is also a family man and a community activist, who is looking for a way to make a difference.

The defining personalities of the decade may have been the getters and spenders like Ivan Boesky, who said, 'Greed is healthy.' But for the country as a whole the 1980s remained a decade of 'creed.'

"Notwithstanding all the [expletive] about creating jobs, what drives most of us in business is personal greed," Mr. Schuck said. "But you come to realize, you can't put your heart and soul into that. The greatest satisfaction for most people has to come elsewhere."

Many Americans learned the same lesson in the 1980s. For all the talk about the "greed decade" and the national handwringing about the supposed decline of moral standards, the most surprising fact about the 1980s may be that the traditional moral underpinnings of American life remained remarkably solid. Church attendance and religious faith, as measured by the Gallup Organization, held steady during the 1980s; the United States remained the most religious of the developed nations.

The defining personalities of the decade may have been the getters and spenders like Ivan Boesky, the corrupt arbitrageur who declared — before his indictment — that "greed is healthy." But for the country as a whole the 1980s remained a decade of "creed."

The staying power of that American creed — religious and secular — is evident from some statistics: Americans volunteered for church, charity, and educational causes in record numbers during the 1980s, and their number increased faster than the growth in population. Charitable contributions also reached record levels, increasing faster than inflation and faster than the growth in personal income. People gave more to charity despite predictions that giving would decrease after 1986, because the Tax Reform Act reduced the tax value of charitable contributions.

Even the symbols of greed were not as pervasive as media coverage suggested. The best-selling car of the decade was actually the Ford Escort, nobody's symbol of excessive greed.

□

The 1980s were a topsy-turvy decade for this city of 285,000, with economic changes as stark as the landscape. Colorado Springs is located at the spot where the prairie turns into the Rocky Mountains. The overwhelming massif of Pike's Peak lies just west of downtown; to the east, the high plains stretch out forever, so flat and empty that the locals say that if you stand on a stepladder you can see St. Louis.

A drive down Academy Boulevard reveals how little the bedrock of life shifted during the decade. The center did hold here. Teenage pregnancy fell noticeably. Drunk driving convictions dropped. The

See VALUES, Page 4

'War Babies' in U.K. Still Seek U.S. Fathers

By Tracy Thompson
Washington Post Service

WASHINGTON — As a child in post-World War II England, Shirley McGlade clipped a picture of the movie star Jeff Chandler and put it in her wallet. That was her father, she told schoolmates — a rich American who had divorced her mother and was fighting for custody of her.

"People believed me," she said. "I lived in a fantasy world."

But she was haunted by the ghost of her real father, a former American soldier named Jack Crowley who had met her mother briefly during World War II but who never knew he had left a child behind.

For 14 years, Ms. McGlade wrote to U.S. government agencies trying to find Mr. Crowley. The answer never varied; Files on him were confidential.

"It's kind of a mental torture," she said, "to know that an official knows where your father lives or lived, and he refuses to give it to you."

She eventually met up with her father, through her own detective work and with no help from the U.S. government.

But many have not been so successful. Today, the government's refusal to help has prompted a Freedom of Information Act lawsuit in federal court in Washington. In it, hundreds born of wartime liaisons between U.S. soldiers and British women are suing the Department of Defense and the National Archives and Records Administration.

They want access to millions of boxes stored in a National Archives warehouse in St. Louis, Missouri, containing all that is known of the names and addresses of men who served in

See PRIVACY, Page 4

U.S. Sites in Manila Hit by Explosions

Grenades Damage Embassy Housing

By Keith B. Richburg
Washington Post Service

MANILA — Unidentified assailants riding in a stolen van fired two rifle-propelled grenades Thursday into the U.S. Embassy residential compound here, causing minor damage to cars and buildings but no injuries, officials said.

Later, an explosion slightly damaged the house of the U.S. Embassy's agricultural attaché in the Makati district, injuring a Filipino workman.

The police said the explosion was caused by a grenade launched from a rifle, but embassy officials said it could have been an unexploded shell from last week's street battles between military rebels and government troops in the Makati area.

While no one claimed responsibility for the attacks, speculation centered on rebel soldiers who have gone underground since failing last week in their bid to overthrow the government of President Corazon C. Aquino. The coup appeared close to succeeding Dec. 1 until the United States sent three F-4 Phantom jets to provide support for pro-government troops.

Some rebel leaders blamed the United States for the coup's failure, and they threatened to launch attacks against American targets. Most of the leaders of the rebellion and more than 1,500 heavily armed rebel troops are still at large. Government officials have said they believe that the rebels intend to open a new phase of terrorist actions around the capital as part of their effort to dislodge President Aquino and establish a military junta.

Manila has been kept on edge this week by rumors and press reports that the rebels were planning another large operation, possibly by this weekend.

Western diplomats said they did not rule out the possibility that the incidents Thursday were unrelated to the coup attempt and could have been the work of communist rebels who are also waging a separate struggle to overthrow the government.

The attack at the embassy compound occurred at noon, and the assailants were believed to be aiming for the compound's popular restaurant, which normally is packed with customers at lunchtime. One of the grenades landed near a post office, and the other exploded behind an apartment building.

The attackers used grenades attached to M-16 automatic rifles, and fired over the back fence of the compound. One Western diplomat said that when the assailants commandeered the van used in the attack, they identified themselves to witnesses as members of the Reform the Armed Forces Movement, one of several military factions involved in last week's coup attempt.

After the attack, the assailants abandoned the stolen van near the compound and fled in several waiting cars.

Fewer details were available about the explosion at the home of the agricultural attaché, Lyle Moe. That incident occurred several hours after the attack.

Ambassador Nicholas Platt, in a statement, denounced the embassy compound attack as a "cowardly act," and said that Mrs. Aquino telephoned him personally to express her regret at the incident. He said the United States "will work together closely with the Philippine government to deal with this terrorist threat."

More than 100,000 Americans live in the Philippines, including servicemen stationed at Clark Air Base in Angeles and Subic Bay Naval Station in Olongapo.

According to rumors in Manila, the Dec. 1 coup attempt was to be followed on Saturday by another such effort, possibly centered on Mindanao island.

"All of the indications are that this thing is ongoing," said one Western diplomat. "Whatever you want to call it, psychological warfare or whatever, it's got everybody on edge."

He said the rebels still held the loyalty of a large segment of the highly politicized armed forces, including many soldiers who showed their support simply by not declaring sides during the fighting. Also, several units from the provinces tried to reach Manila to join the rebellion but were blocked, and they have since returned to their old units, creating another source of potential instability.

Also Thursday, new evidence emerged that Philippine and U.S. intelligence agencies received some advance warnings that a coup was imminent, but they ignored these signals because of the large numbers of coup rumors that circulate here.

One Philippine intelligence officer here said he prepared a documented report in July saying that a major coup attempt was being prepared for December, and he said he came within six days of predicting the actual day of the outbreak of the fighting.

He said he became convinced that this coup attempt was real, and not just another rumor, when he discovered that $2 million was transferred from various Singapore banks to a front company in Mindanao during the first week of August. The money was used to finance the well-planned effort, including paying rebel soldiers about $15 per day.

This intelligence officer said his report was seen by the director of the National Bureau of Investigation, and by Mrs. Aquino herself. He added that he also informed the U.S. Central Intelligence Agency. He said the CIA refused to become involved since Philippine officials already had the information, but that the Filipinos dismissed his report as unlikely since they believed the rebels had already been defeated after the last failed coup attempt in August, 1987.

On Nov. 29, rebel soldiers were arrested for sabotaging a military communications facility in the town of Tagaytay, near Manila, and they revealed to authorities plans for a large coup attempt to be launched on Dec. 1. But military authorities ignored even that warning, believing that with the arrest of the saboteurs, they had already thwarted the plot.

"There was no failure of intelligence," he said. "There was a failure to act on the information."

A senior U.S. official, who briefed reporters earlier this week at the American Embassy, said U.S. intelligence agencies also had "a sense that something was up." But he said the embassy regularly received so many coup reports and rumors — seven hundred in 1988 and nine hundred so far this year — that it was difficult to determine which ones were credible.

MEMORIAL NOTICE

A commemorative service for
Mrs. Rosemary Jean ARCHBOLD
who died in Seattle after a long illness in July of this year, will be held at noon on Saturday Dec. 16th, 1989 at the American Cathedral in Paris, 23, Avenue George V, 75008 Paris.

Tommy Cheng/Agence France-Presse
Vietnamese at a Hong Kong detention camp demonstrating their opposition Thursday to forced deportations, which began this week.

Hong Kong Expulsions Endanger Pact

By Michael Richardson
International Herald Tribune

SINGAPORE — Britain's forced repatriation of Vietnamese refugees from Hong Kong threatens to undermine an international agreement preventing Southeast Asian nations from doing the same, Asian and United Nations officials warned Thursday.

The officials said the agreement, endorsed by more than 40 nations, including Britain, at a UN-sponsored conference on Indochinese refugees in Geneva in June, is already fragile and could disintegrate if any of the signatories pursues unilateral solutions.

The accord sought to reconcile conflicting interests of Asian and Western countries on the refugee issue. Asian nations typically have been the ports of first asylum to more than 100,000 Vietnamese refugees. The West has been slow to relieve Asia by helping to absorb them.

On Tuesday, Hong Kong, a British colony, repatriated 51 Vietnamese. Officials in London said that despite international criticism the forced exodus would continue.

The move, Hong Kong's first forced repatriation, "undermines the overall adherence on the part of governments to try to deal with a complex problem in a patient, humanitarian manner," said a UN official in Southeast Asia.

Abu Hassan Omar, the Malaysian foreign minister, said Thursday that any solution must stem from "what had been agreed under the comprehensive plan of action" in Geneva. But he added that Malaysia understood Hong Kong's "problem."

Officials in Hong Kong and Southeast Asia also said they feared that unless such dramatic measures as mandatory deportation were used, tens of thousands more refugees would leave after the current monsoon season ends in March.

"After more than a decade of virtually automatic resettlement for anyone who came out of Vietnam," said Eric Morris, representative of the UN High Commissioner for Refugees in Malaysia, "this expectation is not going to change overnight."

[Once again Thursday, thousands of chanting Vietnamese refugees in Hong Kong camps protested forced deportations, Reuters reported.

[Waving banners and wearing headbands of white, the traditional color of mourning in Asia, the protesters chanted "Death before repatriation," and "Forced repatriation is inhumane."

[At the Chimawan camp, on a remote island west of Hong Kong, a 25-year-old refugee, Dao Van Hung, tried to hang himself Thursday, Agence France-Presse reported. He was hospitalized in fair condition. "We believe the suicide attempt has nothing to do with the protests," said a camp spokesman, Gordon Tam.]

Malaysia has accused Western nations of refusing to honor an obligation to remove all Vietnamese from holding camps in Asia.

UN officials said that since May, Malaysian authorities had turned away at least 53 boats, containing nearly 3,000 Vietnamese, forcing them to continue a dangerous sea voyage in small, leaking vessels south toward Indonesia.

Suwit Suthanukul, secretary-general of Thailand's National Security Council, urged Britain, Hong Kong and Vietnam to abide by the Geneva accord. If they did not, he said, Thailand might resort to getting rid of refugees considered to be fleeing Vietnam for economic reasons, not political ones.

In 1988, Thailand angered the United States and the office of the UN High Commissioner for Refugees when its navy repulsed Vietnamese attempting to enter Thailand from Cambodia by sea. Hundreds of Vietnamese were reported to have died as a result of the Thai blockade.

There are nearly 57,000 Vietnamese jammed into camps and detention centers in Hong Kong. Malaysia holds 20,400 Vietnamese, Thailand 11,300, and Indonesia and the Philippines somewhat smaller numbers.

Under screening procedures introduced in June 1988, officials of temporary-asylum countries in Asia interview Vietnamese to decide whether their motives are economic or political.

Of the 57,000 in Hong Kong, less than 14,000 are considered political refugees eligible for resettlement. The rest face deportation.

Britain, Hong Kong, other Southeast Asian nations, the United States, Australia, Canada, France and other countries that took part in the Geneva conference agreed that "in the first instance, every effort will be made to encourage" voluntary repatriation.

However, the accord added, if after a reasonable time it became clear that this process was too slow, "alternatives recognized as being acceptable under international practices" would be examined.

UN officials said there was no consensus among signatories of the Geneva agreement about what these alternatives should be or when they should be applied.

The United States and Canada, for example, deplored the forced repatriation from Hong Kong, saying that more time should have been allowed for refugees to return voluntarily.

Deportees Are Treated Well, Hanoi Insists

Reuters

HANOI — Vietnam said Thursday that refugees deported from Hong Kong by Britain were being treated in the same way as Vietnamese refugees who returned voluntarily.

The Vietnamese official overseeing the 51 refugees flown home under heavy guard Tuesday said they would be driven back to their villages in the north on Friday.

"These people are being treated just like the voluntary returnees," said the Labor Ministry's deputy director of international relations, Nghiem Xuan Tue.

"They had to go through a few days of paperwork and health checks since they left illegally," he added, "but now they can go home."

Western diplomats who visited the camp where the 51 — mostly women and children — are being held said they seemed to be adjusting to being back in Vietnam.

Foreign journalists in Hanoi have not been allowed to visit the camp, Soc San, at an agricultural college on the outskirts of Hanoi.

"I can't understand why the Vietnamese authorities won't let journalists see the camp," said a Hanoi-based Western diplomat. "The conditions are quite satisfactory, and denying access just makes it look much worse than it is."

Mr. Tue said journalists could visit the returnees in their home provinces of Haiphong and Quang Ninh "once they have had a chance to calm down."

Each returnee will be given about $25 per month for a year, $5 less than the United Nations High Commissioner for Refugees is giving those who returned voluntarily.

Vietnam has said the refugees did not return against their will.

Newspapers carried a commentary from the official Vietnam News Agency on Thursday calling such contentions "slander with bad intention."

U.S. Probes Possible Fare Collusion by Airlines

Compiled by Our Staff From Dispatches

WASHINGTON — The Justice Department is investigating whether some U.S. airlines violated antitrust laws when they increased fares earlier this year, department officials said Thursday.

The investigation began shortly after a fare increase by American Airlines that took effect Sept. 29 and was adopted quickly by other air carriers. The effect was to increase the cost of flying at the busiest time of the year — Christmas and the surrounding holidays.

A Justice Department spokeswoman, Amy Brown, said, "The Antitrust Division is investigating to determine whether there was an agreement among two or more airlines in connection with the Sept. 29 increase in airline ticket prices."

The department has asked several airlines to submit information on how they determine fares, including correspondence between carriers about the increase. It would not identify the carriers concerned.

Several airlines increased fares on some routes by $10 to $80, depending on how many days before departure tickets are purchased.

The fare increase would be illegal if prosecutors could prove that the airlines colluded.

An antitrust expert said that the government was probably examining the industry's practice of reporting fare increases before they take effect.

Under this theory of antitrust violation, the prepublication of fare hikes to travel agents and an industry clearinghouse called Airline Tariff Publishers Inc. would be viewed as a "facilitating device" for price fixing, the expert said.

The day after American announced its increases, its competitors saw the details in a computer tariff data base. The next day, Midway Airlines, Continental Airlines, Trans World Airlines, Delta Air Lines and Pan American World Airways announced hikes. Then United Airlines, Northwest Airlines and USAir followed suit.

The airlines under investigation were ordered to provide internal documents on how ticket prices are set, including the names and titles of executives within pricing departments, and data on how daily price changes are determined.

American, Delta and Northwest acknowledged receiving requests for information. USAir, United and TWA declined comment. *(UPI, AP)*

U.K. Agency Calls for Aisles On Jetliners to Be Widened

The Associated Press

LONDON — Britain's Civil Aviation Authority has called for wider aircraft passageways to make it easier for passengers to escape in emergencies.

The recommendation came as the agency released the results of a study commissioned after 55 people died in a British Airtours 737 that burst into flames at Manchester Airport in 1985.

The authority proposed a new European requirement to widen passageways through aircraft to a minimum of 30 inches (76 centimeters), compared with the present 20-inch international minimum.

A spokesman for British Airways, which operated British Airtours charters, said the current standard width of aisles on the airline's 737s was 22 inches although new 737s had 27-inch aisles.

He said the recommendations, released Wednesday, would be researched further and discussed within the industry.

The study, by the applied psychology unit of the Cranfield Institute of Technology in Bedfordshire, found the tendency for people to block each other in the passageway through a bulkhead could be significantly reduced when the opening was 30 inches or more.

During the Manchester disaster, some passengers sitting close to the exit over the plane's wing died, while others managed to make their way the entire length of the aircraft from seats at the back to escape through front exits. The pattern was repeated in the tests, the aviation authority said.

WORLD BRIEFS

Mercenaries Agree to Leave Comoros

DZAOUDZI, Mayotte (Reuters) — Mercenaries who seized control of the Comoros nearly three weeks ago were due to begin leaving the Indian Ocean archipelago Thursday under an agreement worked out with France and South Africa, diplomats said.

The sources, contacted by telephone in the Comoros capital of Moroni, said that some of the 30 mercenaries and their families would leave Thursday night on a flight to Paris. Others, including the mercenary leader, Bob Denard, who faces criminal charges in France, will leave Thursday or Friday on a special plane for an undisclosed destination, probably via South Africa, the sources said.

The mercenaries seized power in Comoros after the Nov. 26 assassination of President Ahmed Abdallah Abderemane. A French naval task force is off the main island, Grande Comore, and 300 French paratroopers are standing by in Mayotte, the only island in the archipelago under French rule, to intervene if necessary.

Ex-South African Policeman Testifies

PIETERMARITZBURG, South Africa (Reuters) — A black condemned to death who was the first former policeman to allege the existence of South African police assassination squads told a court Thursday he killed government opponents on orders from superiors.

Pleading guilty to the murder of Griffiths Mxenge, a human rights lawyer, Almond Nofomela said: "I was a member of the security police seconded to a police assassination squad under the command of Captain Dirk Coetsee and Brigadier Schoon," meaning Willem Schoon.

"In late 1981, I was instructed by Brigadier Schoon to eliminate a certain Durban Attorney Griffiths Mxenge," he told the court in this Natal provincial capital. Mr. Nofomela and two friends were condemned to death in 1987 for the murder of a white farmer during a robbery. But just before he was to be hanged he won a stay of execution by alleging that he helped to kill Mr. Mxenge and eight others on police instructions.

Soviets Back Australia on Cambodia

BANGKOK (UPI) — The Soviet Union's Asia expert on Thursday gave his country's informal approval to an Australian proposal to allow the United Nations to administer Cambodia during a cease-fire and national elections.

"We seriously think that it' s worth discussing, worth examining," the Soviet deputy foreign minister, Igor A. Rogachev, said on his arrival from Laos. "Personally, I am very glad that our good colleague from Australia put forward such clever proposal, timely proposal."

Foreign Minister Gareth Evans of Australia last month proposed that the Cambodian seat at the United Nations, currently held by a U.S.-backed resistance coalition, be vacated while Cambodia comes under UN administration. A UN peace-keeping force would arrange a cease-fire and separation of forces while democratic elections are organized to end the 11-year-old conflict.

Pro-Abduction Rioter Killed in India

SRINAGAR, India (UPI) — A demonstration supporting the kidnapping of the interior minister's daughter turned into a riot Thursday, and the police fired into the crowd, killing one person and wounding at least 30 others, the police and witnesses said.

Marchers in a Kashmir Liberation Front procession in Sopore, 55 kilometers (34 miles) north of Srinagar, pelted police with stones, rocks and gasoline bombs. The police responded with baton charges and tear gas before opening fire.

Members of the front abducted and held for six days Rubia Sayeed, 23, the daughter of the newly appointed minister, Mohammad Sayeed. She was released Wednesday after the state government released five detained militants.

130 Killed in Sri Lankan Tamil Clash

BATTICALOA, Sri Lanka (AP) — A Tamil separatist group drove a rival militia out of Batticaloa on Thursday in a battle that killed at least 130 persons, many of them gunned down after surrendering, military officials said. Some witnesses said that at least 250 were killed in the two days of fighting.

In a three-pronged attack begun just before midnight Tuesday, the Liberation Tigers of Tamil Eelam surrounded Batticaloa and clashed with the Tamil National Army. The Tigers took the coastal town. Witnesses and Sri Lankan officials said most of the dead were army members.

India sent troops to Sri Lanka two years ago to help end an insurgency by Tamil separatists. The government claims that Indian troops, who left the Batticaloa area last month, created the Tamil National Army to fight the Liberation Tigers. India denies that; Sri Lanka has outlawed the Tamil National Army.

Crash Victim in U.S. Gets $43 Million

HOUSTON (AP) — A Nigerian woman whose husband and two daughters died in a 1982 automobile fire here has won a $43.2 million judgment against Toyota Motor Sales USA Inc. and Toyota Corp.

After a six-week trial, a Houston jury awarded actual and punitive damages on Wednesday to Nike Adegbite, 36, who escaped with minor burns and cuts from her family's 1973 Toyota Corona station wagon when it caught fire after being hit it from behind by a van.

Mrs. Adegbite's attorney, Stan Pfeiffer, said Thursday the lawsuit claimed that Toyota was negligent in its design of the car and failed to recall it. Mr. Pfeiffer said Mrs. Adegbite and her family were in the back seat of the station wagon when it was struck on a Houston highway Sept. 26, 1982. The van's impact pushed the station wagon's gas tank forward, causing the fire, he said.

For the Record

Arabs hacked a suspected informer to death Thursday, and Israeli troops shot and wounded 15 Arabs, nine of them schoolgirls, during unrest in the occupied territories. Residents of Nablus said Palestinians killed the Arab because he was suspected of aiding Israeli police. *(Reuters)*

TRAVEL UPDATE

Italian Air Union Leaders Face Jail

ROME (Reuters) — Italian air traffic controllers' leaders could be jailed for up to five years for defying a government order to report to work Wednesday, officials said on Thursday.

The union, protesting over pension payments and staff shortages, has called six-hour strikes for Friday and Saturday. Train drivers also began a 24-hour strike at noon on Thursday.

Trans-Atlantic flights from Europe to North America were delayed for up to 90 minutes Thursday by a computer problem at an air control center in Prestwick, Scotland, authorities said. *(AP)*

Greek transport, water and power services and banks were disrupted on Thursday by a three-hour strike of workers demanding cost-of-living increases and changes in government fiscal policy. *(AFP)*

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	11	52	4	39	r
Athens	13	55	8	46	r
Barcelona	17	63	8	46	s
Belgrade	10	50	7	45	r
Berlin	8	46	1	34	r
Brussels	13	55	1	34	r
Budapest	13	55	3	37	c
Copenhagen	4	39	-3	27	sn
Costa Del Sol	22	72	11	52	s
Dublin	6	43	4	39	r
Edinburgh	5	41	0	32	r
Faro	19	66	10	50	s
Florence	15	59	5	41	c
Frankfurt	12	54	8	46	c
Geneva	11	52	4	39	c
Helsinki	-3	26	-21	-6	sn
Las Palmas	24	75	15	59	s
Lisbon	18	64	9	48	s
London	11	52	7	45	r
Luxembourg	11	52	3	37	r
Madrid	16	61	12	54	r
Milan	2	36	0	32	c
Moscow	-4	25	-2	28	sn
Munich	13	55	6	43	sn
Nice	13	55	7	45	s
Oslo	-5	23	-16	14	sn
Paris	15	59	11	52	r
Prague	10	50	5	41	c
Reykjavik	-4	25	-7	19	sn
Rome	17	63	12	54	r
Stockholm	-5	23	-17	1	sn
Strasbourg	15	59	7	45	c
Vienna	4	39	2	36	sn
Warsaw	-1	30	-2	28	sn
Zurich	14	57	7	45	c

MIDDLE EAST

Ankara	-4	25	-8	18	sn
Cairo	19	66	9	48	s
Istanbul	9	48	4	39	c
Jerusalem	11	52	5	41	r
Tel Aviv	17	63	8	46	s

OCEANIA

Auckland	—	—	—	—	—
Sydney	24	79	20	68	sh

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	31	88	20	68	t
Beijing	5	41	-4	25	c
Hong Kong	20	68	14	57	r
Manila	31	88	21	70	t
New Delhi	23	73	9	48	s
Seoul	1	34	-3	26	c
Shanghai	9	48	4	39	r
Singapore	—	—	—	—	—
Taipei	19	66	16	61	r
Tokyo	8	46	4	39	r

AFRICA

Algiers	26	79	11	52	s
Cape Town	22	72	11	52	s
Casablanca	22	72	13	55	s
Harare	28	82	16	61	t
Lagos	31	88	23	73	t
Nairobi	25	77	12	54	t
Tunis	22	72	12	54	s

LATIN AMERICA

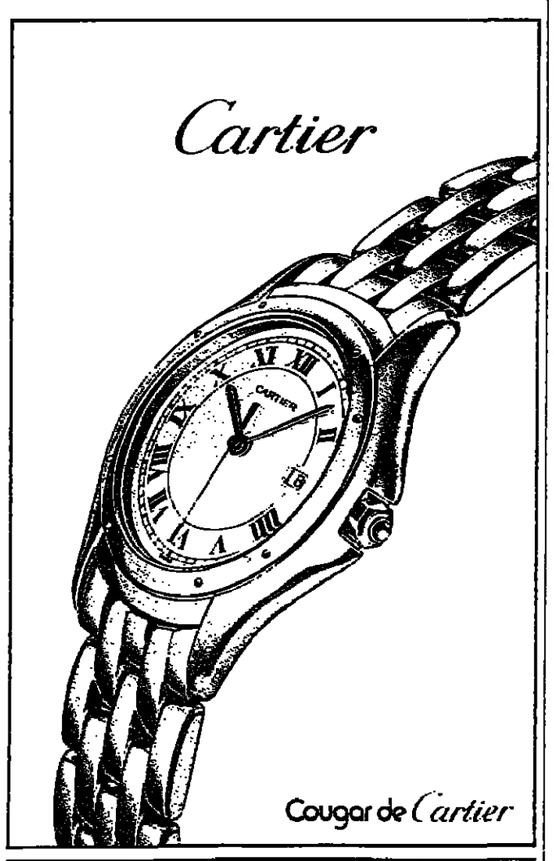
Buenos Aires	27	81	18	64	t
Lima	25	77	18	64	c
Mexico City	17	63	5	41	t
Rio de Janeiro	30	86	22	72	t

NORTH AMERICA

Anchorage	3	37	-1	30	c
Atlanta	5	41	-5	23	r
Boston	-3	26	-9	14	sn
Chicago	-6	21	-13	9	sn
Denver	3	37	-10	14	sn
Detroit	-5	23	-13	9	sn
Honolulu	29	84	17	63	t
Houston	9	48	7	45	r
Los Angeles	26	79	7	45	s
Miami	22	72	9	48	t
Minneapolis	-15	5	-26	-15	sn
Montreal	-12	10	-18	0	sn
Nassau	26	79	21	70	t
New York	0	32	-6	21	r
Phoenix	19	66	3	37	s
San Francisco	16	61	4	39	s
Seattle	6	43	0	32	r
Toronto	-6	20	-15	5	sn
Washington	1	34	-5	23	r

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

FRIDAY'S FORECAST — **CHANNEL:** Rough. **FRANKFURT:** Rainy. Temps. 12 — 8 (54 — 46). **MADRID:** Fair. Temps. 16 — 10 (61 — 50). **LONDON:** Rainy. Temps. 12 — 8 (54 — 46). **YORK:** Partly cloudy. Temps. 1 — -8 (30 — 18). **PARIS:** Rainy with overcast. Temps. 14 — 8 (57 50). **ROME:** Rainy. Temps. 17 — 12 (63 — 54). Rainy. Temps. 10 — 3 (50 — 20). **BANGKOK:** Fair. Temps. 31 — 20 (88 — 68). **TEL AVIV:** Not Available. **ZURICH:** Temps. 21 — 15 (70 — 59). **MANILA:** Fair. Temps. 31 — 19 (88 — 66). **HONG KONG:** Fair. (61 — 36). **SINGAPORE:** Showers. Temps. 28 — 24 (79 — 75). **SEOUL:** Fair. Temps. 3 — -3 (54 — 39). **TOKYO:** Fair. Temps. 12 —



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U.S. Wary Of Freed American

No 'Victory' Seen In Salvador Move

By Maureen Dowd
New York Times Service

WASHINGTON — U.S. officials, reflecting the uncertainty about Jennifer Jean Casolo within the Bush administration, have said privately that the Connecticut woman's release from prison in El Salvador was not seen as "a victory" for the administration.

A State Department official suggested Wednesday that there were still doubts about the innocence of Ms. Casolo, who was arrested Nov. 26 with two Salvadorans after a police raid on her house.

"The police said they uncovered a large cache of grenades, dynamite, detonators and other weapons, as well as some of Ms. Casolo's personal effects.

"There are real, compelling issues about how the weapons got there and why her personal effects were found with them," the official said.

"We had hoped she would stay down there and cooperate in the case, but she did not. Our position was not to lean or pressure or strongly urge or condition assistance to El Salvador on her release in any way."

The announcement of Ms. Casolo's release was made Wednesday by President Alfredo Cristiani, who said he thought she was guilty but that the judge had said there was insufficient evidence to hold her.

Mr. Cristiani vigorously denied that the ruling was motivated by politics.

She was freed by the same judge who ruled on Friday that there was enough evidence to try her on charges of harboring arms for the Salvadoran guerrillas in violation of anti-terrorism laws.

Ms. Casolo's supporters asserted that she could not have been involved in arms smuggling and that her arrest was probably linked to the perception within the Salvadoran military that religious groups tended to support the rebels.

Ms. Casolo, 28, went to El Salvador in 1985 to work for a Christian group that organizes tours for Americans there.

Ms. Casolo's release and deportation followed intensive lobbying by Senator Christopher J. Dodd, Democrat of Connecticut, who said that he had been in almost constant contact with Mr. Cristiani.

The senator, an influential lawmaker on Central American policy, said he told Mr. Cristiani that it was not in the best interests of El Salvador, a major recipient of U.S. aid, to pursue a trial.

The Bush administration's muted, if chilly, response Wednesday was in keeping with the response of Bush officials in the days after Ms. Casolo was seized.

The day after her arrest, Marlin Fitzwater, the White House spokesman, was unsympathetic and sarcastic about her.

"There are indications of her involvement, that's for certain," he said, adding, "We're talking about tons of equipment and mortars and dynamite and rounds of ammunition and explosives. This is hardly a case of someone having a few things flipped in their shopping bag on the way home."

On Monday, President George Bush became involved in the Casolo case, saying he had asked the Salvadoran president to make sure that the American woman received a fair trial.

■ Rebel Reportedly Held

The Salvadoran Army has captured Carlos Morales Carbonel, a guerrilla commander and son of the Christian Democratic leader, Antonio Morales Erlich, the rebel Farabundo Marti National Liberation Front said Thursday, according to Agence France-Presse.

The rebels said Mr. Morales Carbonel was captured Sunday at a house in San Salvador. The armed forces information office said it had no information concerning the rebel leader's reported capture.

Jim Bourg/Reuters-UPI

The actor Ed Asner being arrested during a protest in Los Angeles against U.S. aid to El Salvador.

U.S. Exposed Workers to High Radiation

By Keith Schneider
New York Times Service

LAS VEGAS — Workers at the Nevada Test Site, the desert proving ground for nuclear weapons, were repeatedly exposed to dangerous levels of radiation from underground and atmospheric atomic blasts in the 1950s and 1960s, according to government records made public in a court case here.

The records show that miners were ordered soon after nuclear blasts to recover instruments from tunnels filled with radioactive dust and strewn with contaminated debris.

During the era of atmospheric nuclear tests in the 1950s, workers cleaned up rubble at ground zero without respirators that would have guarded their lungs from atomic particles.

The records make clear that officers of the Atomic Energy Commission, the predecessor of the Department of Energy, often discussed the large number of overexposures and the danger to workers at the Nevada Test Site. But the commission ultimately decided not to reduce the exposures or to inform the workers of the threat because doing so would have meant changes in procedures and equipment that would have halted nuclear testing.

The documents open a new chapter in the emerging story of working conditions at U.S. nuclear weapons plants and laboratories.

Lawyers representing the workers in negligence cases against the government say the records show that federal officials knew of the hazards and refused to remedy them.

The documents began to be declassified in 1978 and 1979. Some were declassified as a result of legally enforceable requests filed under the Freedom of Information Act by veterans and former workers, others at the request of congressional committees investigating the effects of the nuclear weapons program.

The papers were made available to The New York Times by two Las Vegas lawyers, Alan R. Johns and Larry C. Johns, who have filed a lawsuit against the government alleging that radiation from bomb tests caused the cancer deaths of 200 employees and cancer illnesses in 18 others who worked at the test site from 1951 to 1981.

At issue in the federal lawsuit, which was filed in 1980 and has been expanded to include 218 civilian workers, is whether the government failed to protect workers from levels of radiation it knew could cause harm.

The Energy Department, which owns the test site, and the Department of Justice declined to discuss the case.

In 1988, congressional legislation enabled 62,000 military veterans who took part in atmospheric testing at the Nevada site from 1951 to 1962 to be eligible for disability benefits if they had any of 13 types of cancer.

The legislation followed a lawsuit brought by the veterans in the early 1980s that failed because courts ruled the government could not be sued for carrying out its own policies.

The second group, more than 1,100 residents of Arizona, Nevada and Utah, sued the government for illnesses and injuries they believed stemmed from radioactive fallout from atmospheric tests.

In 1984, a U.S. District Court judge in Utah ruled that the tests caused cancer deaths and that the government was liable. But three years later, a federal appeals court overturned the ruling, saying, as in the earlier case, that the government was immune from liability.

Senator Orrin G. Hatch, a Republican, and Representative Wayne Owens, a Democrat, both of Utah, have proposed legislation to establish a $100 million trust fund to compensate those residents.

In those cases, the government prevailed by arguing that under a provision of the 1946 Federal Tort Claims Act, federal officials had the "discretionary authority" to pursue the atomic weapons program without fear of liability.

The government sought the same immunity in the case brought by the civilian workers at the Nevada site case, but a federal judge in Las Vegas turned aside the government's pretrial motions. The trial will be the first since 1979 to focus on the effects of radiation on workers at a U.S. nuclear weapons plant.

Court Overturns Texas Conviction In Rape-Slaying

New York Times Service

HOUSTON — The Texas Court of Criminal Appeals has set aside the rape and murder conviction of a man who twice came within days of execution and whose case caused outrage among blacks here.

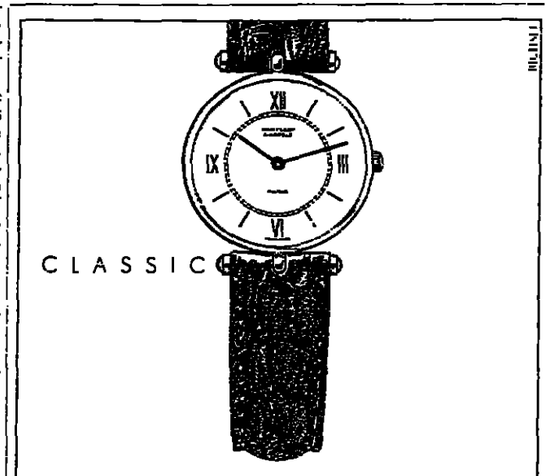
In a strongly worded 6-to-3 decision Wednesday, the appeals court ruled that the investigation leading to conviction of the man, Clarence Lee Brandley, was sloppy, potentially racist and a "subversion of justice." The court ordered that Mr. Brandley, a former janitor, be granted a new trial.

He was convicted of killing Cheryl Dee Fergeson, 16, at Conroe High School, north of Houston in 1980.

His attorneys accused witnesses of lying and prosecutors of colluding with the judge. They also said vital physical evidence, including hair and semen samples, had been thrown away.

"The principles of due process embodied within the United States Constitution must not, indeed cannot, countenance such blatant unfairness," Judge Davis A. Berchelman wrote in the majority opinion.

Mr. Brandley said of the decision: "That just made my Christmas. I'm trying to hold back the tears." The decision occurred nine years after he was given the death penalty.



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Pedro Toledo Ugarte, 54, Spanish Banker, Dies

The Associated Press

MADRID — Pedro Toledo Ugarte, 54, co-president of Spain's largest commercial bank, Banco Bilbao Vizcaya, died of a liver ailment in a U.S. hospital, a spokesman for the bank reported Wednesday.

Mr. Toledo, considered one of the most influential executives in the Spanish financial world, had suffered from the ailment for several months.

He died shortly after being rushed by plane from Spain to the Mayo Clinic in Rochester, Minnesota.

■ *Other deaths:*

Lionel E. Rubinstein, 81, a founder of The Rome Daily American, an English-language newspaper published in Italy for 31 years, Friday in Riverhead, New York. Born in Romania, Mr. Rubinstein was with British and American intelligence in the Mideast during World War II. He co-founded The Daily American in 1946. It ceased operations in 1977. He was also with Radio Free Europe and Radio Liberty.

Louise Dahl-Wolfe, 94, a fashion and portrait photographer, of pneumonia Monday in Allendale, New Jersey. During her years at Harper's Bazaar, from 1936 to 1958, she produced about 85 cover photographs, 600 color pages and many black-and-white shots.

Mary Rogers Brooks, 76, the only daughter of Will Rogers, Wednesday in Santa Monica, California. She performed on stage and in movies in the 1930s under the name Mary Howard.

Lindsay Crosby, 51, a son of Bing Crosby, Monday of a self-inflicted gunshot wound to the head, the coroner confirmed Wednesday. He was in Calabasas, a Los Angeles suburb, where he was undergoing treatment for alcoholism. A family friend said Mr. Crosby had learned that his inheritance had run out.

Paul Collaer, 98, a Belgian musicologist, in Brussels on Monday. Himself a pianist and conductor, he was a friend of Satie, Milhaud, Honegger, Berg, Hindemith and other modern composers whose works he was the first to perform in Belgium.

Seiichi Katsumata, 81, former chairman of Japan's largest opposition party, the Japan Socialist Party, of kidney failure in Tokyo on Thursday. He was elected 14 times to the lower house of parliament and was party chairman from 1967 to 1968.

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REPUBLIC OF BOTSWANA
WATER UTILITIES CORPORATION

GENERAL PROCUREMENT NOTICE — INVITATION TO PREQUALIFY
1. RESOURCE SYSTEMS MODELLING AND TELEMETRY
2. WATER USE AND AFFORDABILITY IN URBAN AREAS

Water Utilities Corporation is the Parastatal Organization responsible for supplying the water needs of the urban areas of Botswana. An intensive capital development programme, including new sources, treatment works and bulk transmission of water is currently being implemented.
It is intended to award two consultancy assignments the first of which is directed at optimising yield effectiveness and operational efficiency and the second at the provision of a sound basis for investment planning and demand management. Brief details are:

1. Resource Systems Modelling and Telemetry

Supplies to Gaborone, the capital city, will be obtained from a combination of 3 surface water sources. A groundwater resource can also be utilised to reduce risk of supply failure. Operational modes, hydrological characteristics and energy requirements vary widely between sources and with time at any individual source. The successful consultant, will develop a systems model which will be used to optimise yield and unit costs and minimise risk of multi sources failure. A similar model is required for the Lobatse network. At the same time the consultant in liaison with a specialist supplier, will be responsible for the development, installation and commissioning of a telemetry installation which will enable systems monitoring to be undertaken at the principall operational centres.

2. Water Use and Affordability in Urban Areas

The Corporation operates on a commercial basis and is required to meet specific financial objectives. Natural conditions in a semi arid environment result in high devlopment costs, which are recovered from the consumer through the tariffs system. Complex relationships exist between demand, cost and affordability, and the consultant will be required, inter-alia, to:-

a) Quantify in general terms, the ways in water is used by the urban/commercial/industrial consumer and assess the demand/cost relationship for principal types of use.

b) Examine the present tariff system and evaluate the benefits of change to the consumer and to the Corporation.

c) Establish means by which the escalation in demand may be reduced without detriment to consumer and community needs.

Firms or persons having the necessary qualifications resources and experience to successfully complete either of the above assignments are invited to submit applications, with full supportive details, to:-

The Chief Executive
Water Utilities Corporation
Private Bag 00276
Gaborone - Botswana

Telex: 2545 BD
Fax: 373852

to arrive not later than Monday 15 January 1990.

It is intended that Terms of Reference will be issued to, and proposals invited from, a select list of consultants or joint venture partnerships in February 1990.

A more detailed description of the assignments is available on request.

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EC Urges Bonn to Speak Up

Clarity Is Sought On Polish Border

Compiled by Our Staff From Dispatches

STRASBOURG, France — The European Parliament urged West Germany on Thursday to "rapidly and unambiguously" state that its wish for German unification stops at the East German-Polish border.

The West German chancellor, Helmut Kohl, has come under criticism from abroad and from opposition parties at home for lack of clarity on the issue.

The 518-member European assembly adopted four resolutions asking Bonn to make it clear that when it speaks of German unification, it does not want to reclaim German territory that became part of Poland after World War II.

"What we are asking for is a clear political statement," said Jean-Pierre Cot, head of the 180-member Socialist group in the assembly.

His group's resolution asked Bonn to recognize Europe's post-war borders "rapidly and unambiguously so as to banish the specter of a Germany claiming its borders of 1937."

The Socialist resolution said that respect for European borders resulting from "the territorial settlement of the Second World War, and particularly the Oder-Neisse frontier" constituted "a fundamental aspect of European security." The Oder-Neisse frontier is named for the two rivers that form Poland's border with East Germany.

At their Strasbourg meeting last week, the leaders of the 12 European Community nations endorsed peaceful German unification through self-determination in both Germanys and in consultation with other European countries.

At the meeting, officials said, Mr. Kohl gave assurances that his government's wish for unification applied to the two Germanys only and not to territory that belonged to Germany before the war.

But that distinction was not spelled out in the summit meeting's political declaration, which spoke of the "German people" and its desire to "regain its unity through free self-determination."

(AP, AFP, UPI, Reuters)

U.S. Drops Tanks in Cutback Of Its Maneuvers in Europe

By Michael R. Gordon
New York Times Service

WASHINGTON — In an effort to save money and to take account of political changes in Eastern Europe, the Pentagon has sharply scaled back the major U.S. military exercise in Europe by, among other things, eliminating the use of tanks.

U.S. tanks and troops have driven throughout West Germany for two decades as part of the Reforger maneuvers. Reforger is an acronym for Return of Forces to Germany.

The Pentagon says the annual exercise is intended to demonstrate U.S. ability and willingness to defend North Atlantic Treaty Organization nations against an attack by Eastern European forces.

But the Reforger exercise that begins later this month will involve a reduced number of forces, a Pentagon spokesman said Tuesday. He said the decision to scale back stems from budget limits, new training techniques, concern over political sensitivities in West Germany and a desire to "act in context of what's going on in Eastern Europe."

During the previous Reforger exercise, late last year, 97,000 NATO soldiers, including 75,000 Americans, conducted maneuvers in West Germany. The 1988 exercise also involved 7,000 tracked vehicles — tanks and armored personnel carriers.

In the upcoming maneuvers, the number of NATO troops will be cut almost by half; about 57,000 troops, approximately 50,000 of them American, will maneuver in West Germany. The number of tracked vehicles will be cut to 2,000, the spokesman added.

No tanks will be used.

The Pentagon spokesman said that a major reason for reducing the scope of the exercise was West German concern over the level of U.S. military activity in the country. West Germans have complained about the noise of low-flying NATO aircraft and damage to roads and the countryside caused by military exercises.

The 1988 maneuvers caused $8 million in damage, according to U.S. officials.

Another factor in the decision was a desire to send a political signal to the Warsaw Pact nations, the Pentagon spokesman added.

"If so much is happening in Eastern Europe, why have such a big exercise?" He asked. "By scaling back we send a political signal that we can respond flexibly in response to a scaling back of Warsaw Pact military activity."

The reduced exercise will also save tens of millions of dollars. The 1988 exercise cost $105 million, which did not include the cost of flying some troops from the United States to Europe.

The European command had projected savings of about $20 million based on earlier plans for cutting back the exercise. The decision to abandon the use of tanks should generate further savings.

Shevardnadze To Visit NATO

Reuters

BRUSSELS — The Soviet foreign minister, Eduard A. Shevardnadze, will visit NATO headquarters next week in a move symbolizing decreasing East-West hostilities.

"The Soviet foreign minister has requested that he be able to contact NATO during his visit to Belgium on December 18 and 19," a NATO spokesman said Thursday. "We are now trying to arrange for Mr. Shevardnadze to have a meeting with NATO Secretary-General Manfred Woerner on one of those two days."

No Warsaw Pact minister has ever entered the headquarters of the North Atlantic Treaty Organization. It was not known why Mr. Shevardnadze proposed the visit. He is due to meet with European Community foreign ministers in Brussels on Monday.

France Goes on Alert in Face Of Possible New Terror Wave

By Youssef M. Ibrahim
New York Times Service

PARIS — Major Paris stores, airports, subways and train stations were heavily guarded Thursday by special police units after France went on nationwide alert in the face of what Interior Minister Pierre Joxe called a distinct possibility of terrorist attacks during the holiday season.

The highly visible deployment of contingents from the elite Compagnies Républicaines de Sécurité, or CRS, followed the discovery of a scheme to smuggle hundreds of kilograms of explosives into France and its former African colonies to be used against French interests, French officials said.

The security alert coincided with a two-day meeting in Paris of European Community interior and justice ministers, who are cooperating in the effort to track down a Shiite militant group responsible for the movement of explosives from Lebanon to Valencia, Spain, to Marseille, and to Larnaca, Cyprus.

French security officials said Thursday that they believed the primary aim for what they feared may be a new wave of terror was to dissuade France from opposing an armed assault on the forces of the Major General Michel Aoun, the Lebanese Christian army leader, by a pro-Syrian Muslim coalition of armed militias that include the pro-Iranian group, Hezbollah.

The threat also coincides with the imminent trial of Fouad Ali Saleh, a principal defendant in a case involving bombings in Paris in 1985 and 1986 that killed 12 persons and wounded hundreds, and a hunger strike by a convicted pro-Iranian terrorist, Anis Naccache.

Mr. Naccache is serving a life sentence for trying to kill Shahpur Bakhtiar, the last Iranian prime minister to serve under the Shah before the 1979 Islamic revolution.

Iran has repeatedly demanded the release of Mr. Naccache, claiming that France has reneged on a deal to let him go in return for Iranian help in the release of French hostages held in Lebanon. The liberty of Mr. Saleh has been demanded by several shadowy pro-Iranian groups in Lebanon.

French concern about possible bombings and other acts of terror appears to have grown considerably following the discovery of more than 200 kilograms (440 pounds) of explosives in Valencia and Marseille shipped from Sidon, Lebanon, and the arrest of at least eight suspected terrorists in late November from a network based in Spain and France. The suspects carried maps of French airports and main shopping areas.

In addition, it was revealed Thursday that another shipment of explosives from Sidon was discovered in Cyprus, destined for former French colonies in Africa.

A French DC-10 airliner was blown up Sept. 19 after a bomb was placed aboard in Brazzaville, the Congo capital. It exploded as the plane flew out of Chad en route to Paris. French security officials attributed the bombing to a recently discovered network of Shiite pro-Iranian militants in Africa.

French officials conceded that they were puzzled about the timing and motives of what they were sure was a carefully planned operation.

The officials said they were perplexed because they had what they called an "understanding" with Tehran that Paris would tie its normalization of relations with Iran to a cessation of terrorist acts in France sponsored by Iranian intelligence.

Their analysis, the French officials said, was that elements within the Iranian regime, led by former Interior Minister Ali Akbar Mohtashemi, are operating outside the circle of influence of President Hashemi Rafsanjani to sabotage any normalization of relations between France and Iran.

SOVIETS: *Radicals See Loss of Nerve on Economy*

(Continued from page 1)

off discussion of ending the Communist monopoly on power, overriding the demands of more than 800 deputies and ignoring great popular support for such change.

Some Soviet liberals admit that while they favor a multiparty system in principle, they fear that the first new parties will not be composed of Social Democrats or formed from other broadly-based progressive groups, but rather nationalist parties focused on the demands of particular ethnic groups.

And so here, too, the emphasis is on transition — a term that Mr. Afanasyev, Mr. Popov and their faction see as the Communists' attempt to protect the jobs of party members and avoid the inevitable.

Most Soviets are not focused on the question of party restructuring. But they do see the lack of economic progress every time they walk into a store.

And now they are watching with awe as the countries of Eastern Europe move past them in liberalization. In economics and other areas of public life, the lengthier Soviet experience with centralization and statism means that change will take much longer and face greater difficulties.

"The Soviet Union is just a different sort of country," said Ivan T. Frolov, editor of the Communist Party newspaper Pravda and a member of the powerful Central Committee secretariat. "We can't engage in some sort of race with Eastern Europe."

So far the Communist Party has been able to control the debate in the Congress, and the Inter-Regional Group is more a collection of disparate radical voices than a coherent opposition.

Tatyana I. Zaslavskaya, a deputy in the Congress and a prominent sociologist, said: "I'm a member of the Inter-Regional Group but I'm concerned about our inability to present the Congress with a coherent platform. We've failed to do this. And as a result we have failed to put forward our arguments for reforming the very foundations of the Soviet economy."

PACT: *Bonn Backs Off on Borders*

(Continued from page 1)

tory countries, meaning that in most cases motorists are not required to stop at the frontiers.

The additional convention was aimed at eliminating remaining frontier formalities, but also at improving cooperation between police and customs services. It would have allowed hot pursuit across borders, for example, and provided for automated data exchange about criminals, suspected terrorists, drug users and illegal immigrants.

President François Mitterrand of France expressed concern during the EC summit conference in Strasbourg last weekend that carrying out the convention could open the floodgates to immigration from Eastern Europe.

The Belgian interior minister, Louis Tobback, said he had not had enough time to study the text of the 134-point convention.

In a letter to the Dutch parliament, Prime Minister Ruud Lubbers listed three points on which the countries did not agree: how to deal with the developments between East and West Germany, the need to define a common policy on refugees, and Luxembourg's demand to scrap a clause on cooperation in cases of tax fraud.

POLES: *Walesa's Cure*

(Continued from page 1)

who chairs the Economic Policy Committee.

Some of the rush to legislate is being imposed on Poland by Western lending agencies and donors.

Between $2.5 and $3.5 billion in Western loans and credits depend on the signing of an agreement with the International Monetary Fund.

As the leading advocate of change in Eastern Europe, Poland stands at the front of the line in asking for and getting promises of substantial financial help in easing the pain of radical economic rebirth. The world's 24 wealthiest democracies approved a $1 billion aid package for Poland on Wednesday pending the IMF agreement.

Even though billions of dollars hang in the balance — money that could significantly ease the pain of Poland's free-market transformation — there were a number of angry critics in Warsaw this week who found Mr. Walesa's proposal for a moratorium on democracy to be an outrage.

Foremost among the critics were the Communists.

"Bluntly speaking," said Leszek Miller, a member of the party's Central Committee, "this would mean a dictatorial deprivation of parliament and society of their influence on reforms of fundamental significance for Poland and Poles."

The official trade union movement, which was formed by the Communists during the martial law period when Solidarity was outlawed, also had nothing good to say about Mr. Walesa's idea.

"Today it turns out that Lech Walesa wants to change his 'democracy' car to a 'dictatorship' car," said Waclaw Martyniuk of the unions.

PRAGUE: *Troop Cut Talks*

(Continued from page 1)

ment last week, leaders of Civic Forum and the Communist Party agreed early Thursday on a way to make the selection. But this complex agreement could come unglued as a result of a party congress Dec. 20.

The deal calls for the federal assembly to pick the president, as the constitution requires, instead of pushing a constitutional amendment to allow for a direct election. Further, the deal seeks replacement of some members of the assembly and an amendment to allow the selection of a president next month instead of by Christmas Eve, as the law now demands.

In another development Thursday, a special legislative commission investigating police brutality in quelling a demonstration Nov. 17 announced that six men had been indicted; six high Interior Ministry and police officials had been demoted and seven police officials were under intensive investigation.

PRIVACY: *War Babies' Search*

(Continued from page 1)

the U.S. armed forces in Britain during the war.

To the U.S. government, the issue is privacy.

"Fatherhood of an illegitimate child during youth is at worst embarrassing and at a minimum highly personal," according to a government memorandum filed in court.

Relying on the Privacy Act and Defense Department directives, officials at the National Personnel Records Center refuse to release any serviceman's address, even dating from the 1940s.

The plaintiffs' Washington attorney, Joan Meier, said there was another reason they should get the information: The separation of soldiers from British women and children was often the result of U.S. policy.

Defense Department spokesmen deny this. There were no such written policies during World War II, according to a court affidavit from a researcher at the U.S. Army Center of Military History, Trudi M. Turner. If servicemen were transferred, she stated, it was due to "combat need."

Contemporaneous accounts of life in wartime Britain present a different story.

"It was American policy at this time" that no soldiers should marry British women, wrote the British Brigadier John Durnford-Slater in his 1953 memoirs, part of which are filed in court. "Why, I haven't the least idea. But I was told of the ban."

Some women recall that their lovers' commanding officers offered £100, about $500 in wartime U.S. money, in exchange for signing a form promising to leave the men alone.

There is no way to know the number of British subjects who could be affected by the case. But the plaintiffs' complaint, filed in Washington in December 1988, estimates that as many as 225,000 wartime babies were born to British women and American soldiers, including 102,000 out of wedlock.

Social taboos against out-of-wedlock babies were strong, and even lawful unions were not popular.

"To wish to marry an American was widely regarded as not merely foolish, but unpatriotic," the historian Norman Longmate wrote in a 1975 book, "The G.I.s: The Americans in Britain, 1942-1945."

Ms. McGlade remembers the attitude of her schoolmates and neighbors.

"I was always told it was bad to be illegitimate, and the illegitimate daughter of a Yank," she said. "Your mother was counted as a prostitute if she had a child by an American GI." She has formed a self-help group called War Babes, which has about 350 members.

VALUES: *American Morals Survive 'Me Generation'*

(Continued from page 1)

United Fund set new records each year. Crime rates went down.

Drugs worried Colorado Springs during the 1980s, as they did most of the rest of the country. The drug problem reached even the exclusive neighborhood where the Schucks live. "One of my kids got in pretty deep," said Mr. Schuck, "but he's okay now."

Yet even drugs, America's greatest moral crisis of the late 1980s, seemed to be a manageable problem here. School officials say they think overall drug use was probably down by the end of the decade, just as it appears to be nationally.

The police say that drug arrests rose slightly during the last few years, but they blame the increase partly on the fact that the city lies on an interstate highway that serves as a route for drug couriers coming north from El Paso, Texas. Statewide, the Colorado Health Department said, both drug and alcohol use declined in the 1980s.

Traditional values endured despite some big changes in the local economy. Colorado Springs caught the wave of the Reagan defense buildup in the early 1980s. The boom psychology reached from the Air Force Academy at the north end of town to Fort Carson at the south. And the Pentagon's combined Space Command, located just east of town, made Colorado Springs the world headquarters for the "Star Wars" defense program.

But by the late 1980s, the wave had crested. Cuts in defense spending and layoffs in high-tech businesses hurt the local economy. Speculators who bought land out near the Space Command "are getting the [expletive] kicked out of them," said Mr. Schuck, one of the people taking a beating.

Most Americans in the 1980s could not have indulged in yuppie-style greed and conspicuous consumption if they had wanted to. National living standards remained constant in the 1980s, and the growth that marked the nation overall was a spotty phenomenon. If the decade is to be remembered as a time of prosperity, then the 1980s never happened in much of the farm belt and the oil patch. Colorado Springs used the defense budget to insulate itself temporarily from the regional recession, but the insulation has worn away.

What Colorado Springs did have in abundance during the 1980s was hard work. Here as elsewhere in the country, the stagnation of personal income meant that the average family had to work more hours just to stay even with the 1970s standard of living. And for the first time since World War II, large numbers of Americans faced the specter of downward mobility.

Some economists argue that even the yuppies did not deserve the selfish labels pinned to them. What appeared to be conspicuous consumption may really have been "consolation" consumption. One of the most striking demographic trends of the 1980s was a decline — for the first time in half a century — in the rate of home ownership. The cost of owning a first home went from 17 percent of household income in 1980 to 33 percent in 1988, according to Harvard's Joint Center for Housing Studies.

Unable to make the purchase at the heart of the American dream, young people consoled themselves by spending what would have been mortgage money on expensive clothes and designer mustards.

For all the conflicting demands on their hours, people here and around the country continued to find time for religion in the 1980s. Religious faith remained constant. In a 1977 survey, 41 percent of the American people told Gallup pollsters they had been to church or temple in the last seven days; in 1987, the figure was 40 percent.

But within this solid frame of belief were the diverse elements of what sociologists call "post-Protestant America." Television evangelists enjoyed a boomlet in the middle of the decade, but their trials hurt the movement deeply; contributions to electronic churches have plummeted. America's religious life has become more atomized, more varied, than ever before.

National opinion polls show that roughly 30 percent of the population clings to a personal brand of faith while avoiding organized religion, and you can see that here, too. "I'm extremely spiritual," said Mr. Schuck. "But if I go to temple six times per year, it's a lot."

Still, when one of his children fell into the thrawl of narcotics and then managed to conquer the addiction, Mr. Schuck knew where to turn for thanks. "I definitely found myself thanking God that we got past it," he said.

Salinas to Visit Europeans

Reuters

MEXICO CITY (Reuters) — President Carlos Salinas de Gortari will pay a week's visit to Europe at the end of next month.

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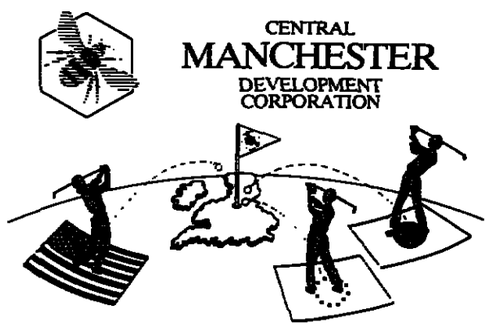

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Syrian soldiers inspecting a car Thursday at a checkpoint at the entrance of the southern Lebanese city of Sidon after the predawn clash.

PLO Fighters Attack Syrians in South Lebanon

The Associated Press

SIDON, Lebanon — Palestinian guerrillas attacked Syrian troops Thursday in a predawn raid in southern Lebanon, touching off a battle in which at least 10 persons were killed and 40 wounded, the police said.

The clash was the first for at least two years between Palestine Liberation Organization fighters and members of the 45,000-strong force of Syrian soldiers stationed throughout two-thirds of Lebanon.

The police said that the attackers belonged to the mainstream Fatah faction of the PLO chairman, Yasser Arafat.

Relations between Mr. Arafat and the Syrian president, Hafez Assad, have been strained since 1983, when Syria backed a rebellion inside Fatah and drove Mr. Arafat out of the northern Lebanese port of Tripoli.

In Tunis, the PLO condemned the attack and said it was trying to find out who was responsible.

A statement from PLO headquarters said, "The Palestinian leadership would like to affirm that it condemns such acts completely and that it immediately issued orders to start investigating the incident to identify the perpetrators."

In the attack, an estimated 150 PLO guerrillas stormed the headquarters of the Syrian garrison commander in a two-hour foray that started from Sidon's Ein el Hilweh refugee camp, the police said.

A police spokesman said that the attack was the first the Palestinians had staged against the Syrian Army to the north across the Awali River.

The Awali River, on the northern edge of Sidon, lies 65 kilometers (40 miles) north of the Israeli border and nearly 40 kilometers south of Beirut.

Jews Leaving Russia In Record Numbers

By Joel Brinkley
New York Times Service

JERUSALEM — The number of Jews streaming out of the Soviet Union has reached a record.

Not counting the this month, more than 62,500 have left this year, surpassing by more than 20 percent the high of 51,320 set in 1979.

In recent years most Soviet Jews have gone to the United States.

But because of immigration limits imposed by Washington recently, the number of Jews going to Israel has increased dramatically in recent months.

As a result, Israel is bracing for its greatest flow of immigrants since its early days of independence four decades ago.

More than 11,000 Soviet Jews left last month — the first time the figure exceeded 10,000 in a month — and almost 2,000 of them arrived, 10 times the number who came to Israel in January.

The number of émigrés is monitored closely by Israeli officials and the National Conference on Soviet Jewry, an American group.

Early this week the government projected that Israel might absorb as many as 750,000 Soviet Jews in the next six years, an addition of 20 percent to the nation's Jewish population.

Although the projection may be exaggerated, several hundred thousand Soviet Jews have in fact requested Israeli visas, largely because they fear increasing nationalist turmoil in the Soviet Union and because of the U.S. decision to admit fewer Soviet refugees.

An influx even close to the Israeli projection would be a significant step toward Israel's dream of attracting all the world's Jews, but it would also pose major problems for the country.

It is accepted wisdom that Israel is simply unequipped to handle immigrants in those numbers, and many Israelis resent such a migration at a time when unemployment is already high.

But for Israel, the numbers are only half the problem. The people in this wave are different from other large groups of Jews to come to Israel or Palestine since the "first aliyah" from czarist Russia 100 years ago.

Most of the Soviet citizens coming now are not Zionists. In fact, they have little, if any, Jewish identity.

And many people worry that their lack of Jewish zeal might make it more difficult for them to weather hard times in their new homeland.

Vatican Warns of Body 'Cult' in Zen and Yoga

The Associated Press

VATICAN CITY — The Vatican cautioned Catholics on Thursday that Eastern meditation practices such as Zen and yoga could "degenerate into a cult of the body" that debases Christian prayer.

"The love of God, the sole object of Christian contemplation, is a reality which cannot be 'mastered' by any method or technique," said a document issued by the Congregation for the Doctrine of the Faith.

The document, approved by Pope John Paul II and addressed to bishops, said attempts to combine Christian meditation with Eastern techniques were fraught with danger although they can have positive uses.

The document, signed by the congregation head, Cardinal Joseph Ratzinger, was believed to be the first time the Vatican had sought to respond to the pull of Eastern religious practices.

Cardinal Ratzinger said that the document was not condemning Eastern meditation practices, but was elaborating on guidelines for proper Christian prayer.

By Eastern methods, the document said, it was referring to practices inspired by Hinduism and Buddhism such as Zen, transcendental meditation and yoga, which involves prescribed postures and controlled breathing.

The document said that some Christians, "caught up in the movement toward openness and exchanges between various religions and cultures, are of the opinion that their prayer has much to gain from these methods." But, it said, such practices "can degenerate into a cult of the body and can lead surreptitiously to considering all bodily sensations as spiritual experiences."

The document defined Christian prayer as a "personal, intimate and profound dialogue between man and God."

Such prayer "flees from impersonal techniques or from concentrating on oneself, which can create a kind of rut, imprisoning the person praying in a spiritual privatism."

Attempts to combine Christian and non-Christian meditation are "not free from dangers and errors," the document said.

It expressed particular concern over misconceptions about body postures in meditation.

"Some physical exercises," it said "automatically produce a feeling of quiet and relaxation, pleasing sensations, perhaps even phenomena of light and of warmth, which resemble spiritual well-being. To take such feelings for the authentic consolations of the Holy Spirit would be a totally erroneous way of conceiving the spiritual life.

"Giving them a symbolic significance typical of the mystical experience, when the moral condition of the person concerned does not correspond to such an experience, would represent a kind of mental schizophrenia which could also lead to psychic disturbance and, at times, to moral deviations."

The Congregation for the Doctrine of the Faith is the guardian of doctrinal orthodoxy. The document did not name any particular individuals, groups or religious movements that have strayed in the use of Eastern meditation practices but the congregation often acts in response to complaints.

Egypt Arrests 27 Tourists

Reuters

CAIRO — Egyptian police said Thursday that they had arrested 27 Polish tourists accused of damaging coral reefs near a Red Sea resort. They said the Poles were discovered cutting coral from reefs near Dahab on the Gulf of Aqaba.

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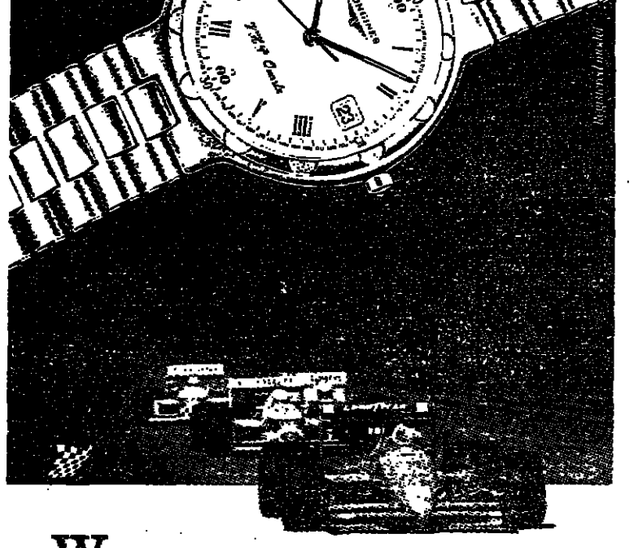

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If these plants were threatened with extinction, you would spring to their defence.

The rosy periwinkle, scourge of leukaemia.

What if we told you that many patients facing major surgery rely on a muscle relaxant extracted for an Amazonian vine, *Chondrodendron tomentosum?*

Or that 4 out of 5 children with leukaemia survive, thanks to the chemicals vincristine and vinblastine donated by the rosy periwinkle?

Would the fate of these plants still arouse your concern? If so, read on. It is essential that you be aroused beyond mere concern, to action.

Millions of people with heart ailments depend on foxgloves. These flowers provide the digoxin which regulates their heartbeat.

Many sufferers from hypertension and high blood pressure owe a debt to the Indian snakeroot shrub for its reserpine.

The Amazonian oak, a step nearer an AIDS vaccine.

Extracts from an Amazonian oak tree coagulate proteins, immensely helping scientists in their search for an AIDS vaccine.

People sleep deeply and breathe easily during operations thanks to scopolamine derived from mandrake, henbane and thornapples.

Cancer of the lung, kidney and testis responds to Etoposide, a drug synthesised from mayapples. The Penobscot Indians of Maine have long found mayapple useful against warts.

Women who take the contraceptive pill for granted would not be taking it at all were it not for the yam. This large tuber is the source of the Pill's active ingredient, diosgenin.

Peptic ulcers heal faster thanks to the pale blue petals and flat brown pods of the liquorice flower, origin of carbenoxalone.

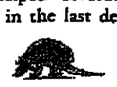
Even the healthiest among us take compounds first discovered in fragrant meadowsweet and willow bark and now known as aspirin.

Though these 13 plants have healed and soothed millions of people, they're but the merest sample from nature's medicine chest. Over a quarter of all prescribed medicines are based on plants.

Meadowsweet, source of the world's most common drug.

Yet, of the estimated 250,000 flowering plants believed to be in existence, tens of thousands remain undiscovered and only some 5,000 have been tested exhaustively for their pharmaceutical attributes. Now this vast store of known and potential medicines is under threat and we are all of us obliged to protect it.

You see, half of the earth's species thrive in the warmth and wetness of tropical rainforests. Just ten square kilometres of Amazonian jungle contain some 2,200 species of plant (numbers of lower plants like lichen and fungi are incalculable, as is their value: Cyclosporin, a product of 2 kinds of fungi, has helped revolutionise transplant surgery in the last decade).



The Armadillo, doomed denizen of the rainforests

Man is destroying these rainforests. 40 hectares a minute. An area the size of Austria every year.

Every day the bulldozing and polluting continues, countless lives are ruined, animal, bird, reptile, insect, not to mention human. Every day, in the midst of this carnage, 5 plants silently become extinct.

Chance alone kept alive those plants mentioned above long enough for them to help us.

When plants die, other ecosystems follow

Who knows what weapons against cancer, heart disease, AIDS or afflictions yet to come were lost forever in today's batch of 5?

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We need a further US$60 million to fund these projects through the next 5 years. (Already we are supporting 100 projects dedicated to conserving rainforests, 50 to conserving wetlands and 82 devoted to the management of national parks.)

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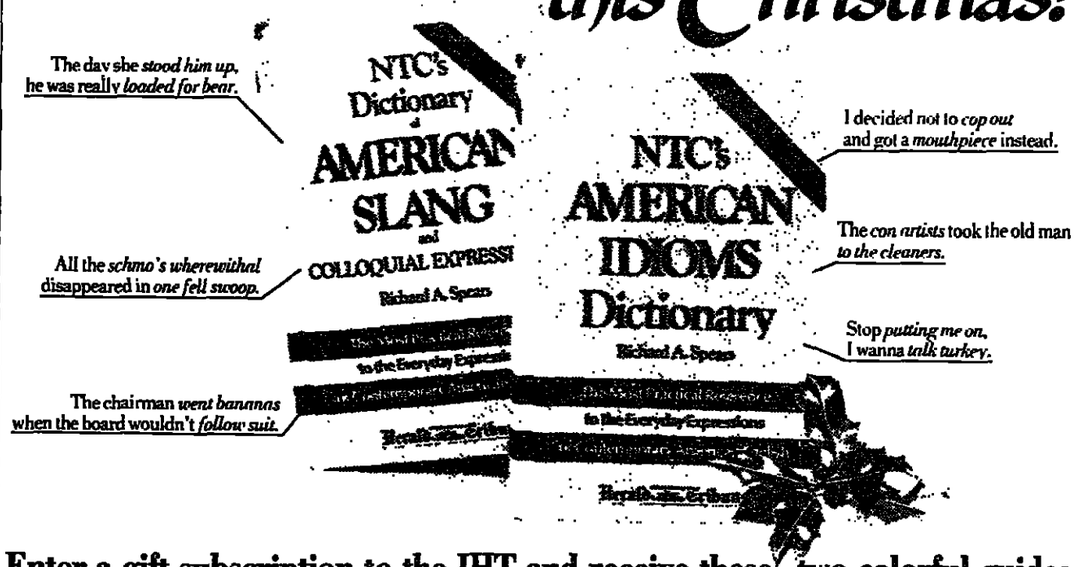

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OPINION

Democracy Dishonored

Three bitter questions reverberate over the Bush administration's startling overture to China:

Why now? No one thinks that the United States will remain permanently estranged from China because of the June massacre in Beijing. But why rush to kiss the feet of a Beijing regime whose rejection of reform becomes clearer day by day?

Why so furtive? If the initiative is as sensible as George Bush insists, why wasn't it disclosed until early Saturday, after his high-level delegation arrived in China?

And finally, considering the widespread horror ignited by the massacre, how could the visitors raise such a fulsome toast, declaring that they had come "as friends to resume our important dialogue"?

The best answers the president could summon up on Monday sounded more like diplomatic double-talk — about not sending signals of total normalization and not diluting American indignation or principles. And he claims credit for a suspect Chinese promise to curb missile sales to the Middle East. He is right: Washington cannot ignore China. Yet Beijing cannot ignore the United States, either, and this symbolic reconciliation appears to have been carried out entirely on Chinese terms.

Absent better answers, the overture undercuts American outrage over Chinese repression. It betrays China's democrats. And it sends the worst possible signal to the Soviet Union and Eastern Europe about America's attitude toward attempts to halt reforms by force.

Only six months ago, Deng Xiaoping and his hard-line allies ordered troops to fire on student demonstrators, killing hundreds. Since then a realigned leadership has reversed a decade of reforms, reimposing police-state controls and purges. Power now seems left in the hands of a shaky coalition of octogenarians. Reform-minded Chinese hope for a not too distant succession.

Beijing has paired repression with a shrill diplomatic campaign of accusation. It blames Washington for encouraging Chinese demonstrators even though this spring's protests had deep Chinese roots. And it has insisted that America make the first move toward reconciliation. Now, incredibly, Mr. Bush appears to have complied.

Americans can be proud that Chinese students identify with U.S. values, to the point of constructing a statue they called the Goddess of Democracy. Yet Mr. Bush, who served as chief U.S. diplomat in China 15 years ago, seems to identify more with China's aging autocrats than with its brave young democrats.

After the Beijing massacre, under public and congressional pressure he announced sensible sanctions to protest present policies without prejudicing future ties. Ever since, however, his administration has seemed determined to restore normal ties. Now, just as U.S.-Soviet relations have changed dramatically, reforms in China have been thrust into reverse.

Chinese influence is important on regional questions from Cambodia to Japan, as is its role as an arms supplier in the Middle East. Yet effective diplomacy turns on clear American as well as Chinese interests. To ignore China denies reality. To rush to toast its present leaders and policies dishonors democracy.

— THE NEW YORK TIMES.

A Boost for Latin Peace

Give five Central American presidents credit for breathing fresh life into the ailing regional peace plan. They have agreed on a declaration that calls for demobilizing guerrillas in El Salvador and disbanding U.S.-aided rebels in Nicaragua.

The presidents express "decisive support" for President Alfredo Cristiani of El Salvador, whose elected regime is besieged by Sandinista-aided insurgents.

This cannot have been easy for Nicaragua's president, Daniel Ortega Saavedra, judging by protests from his Salvadoran allies. And by finally linking two foreign-aided rebellions, the Central Americans are bringing symmetrical pressure on Washington to resettle those contras now in Honduran camps who receive U.S. support.

Nicaragua's shift makes pragmatic sense. The peace plan in its original form two years ago called on Sandinistas to hold free elections in exchange for the disbanding of the contras. But when the United States delayed on ending contra aid, the Sandinistas retaliated by ending a 19-month cease-fire.

They then blundered further by providing arms — and being caught at it — that were used in a guerrilla attack on San Salvador. Casualties mounted in El Salvador; so did protests that Managua was harassing a united democratic opposition in Nicaragua. At a rally Sunday in an outlying town, one person was killed and 11 injured after what observers said was an attack by Sandinista mobs.

Eager to preserve the international approval it won by agreeing to elections, the Managua regime now promises to stop aiding Salvadoran rebels, which the peace plan also requires.

The proof will be in the performance. If there is evidence that Mr. Ortega means what he says, the case for disbanding the contras will seem overwhelming.

A United Nations monitoring team, led by a former U.S. attorney general, Elliot Richardson, is already in Nicaragua. A fair and free election there in February would build pressure on Salvadoran rebels to agree to peace talks and a parallel election in El Salvador.

By trying to bind big powers and small to the rule of law, the Central American presidents open the way to democratic resolution of civil wars fed by outside arms. Their work warrants support in Washington.

— THE NEW YORK TIMES.

At Work in the Mideast

The Bush administration reports progress in its attempt to bring Israelis and Palestinians into their first talks. Previously it had solicited, negotiated and finally accepted "in principle" an Israeli response to Secretary of State James Baker's plan for Israeli-Palestinian dialogue based on Israel's proposal for West Bank-Gaza elections. Now by the same labored route it has extracted what it calls an exactly matching positive response from Egypt, which speaks for "Palestinians" — the euphemism required by the Israeli government's rejection of the PLO. Both responses are "Yes, but." The Americans are reformulating the affirmations and reshaping the conditions into softer-edged statements of what it "understands" the situation to be. Mr. Baker hopes to meet the Israeli and Egyptian foreign ministers soon to keep things in motion.

All this began last May when Prime Minister Yitzhak Shamir proposed not just 1) elections for local autonomy but also 2) a five-year pause and 3) talks on the "final status" of the occupied territories. This allowed for a timetable, confidence building and the consideration of different options, and potentially it was a good way for deeply divided and distrustful parties to proceed. Mr. Shamir undertook, however, to cut off at the outset the option — statehood — most dear to the PLO. It has fallen to American diplomacy to try to keep that option, among others, open. If it is closed early and even before an Israeli-Palestinian dialogue on elections has begun, there is no chance of drawing in any but puppet Palestinians. Some Israelis, expecting little from the process, say they could live with the resulting deadlock. But no one else who wished either Israelis or Palestinians well would want to see that come about.

Although the PLO has yet to gain the confidence of an Israeli majority, it has, at least formally, finally accepted Israel and renounced terrorism, and it asks to sit down and talk with Israel. In a reversal of traditional roles, the Israeli government rejects the PLO as a partner and interlocutor of any sort. Viewing these two sets of positions, the PLO and others ask why the American government does not use Israel's dependency to press it to be more forthcoming. The Bush administration believes it is already applying intense pressure just by trying to keep the Israeli plan alive. There is truth to that. It is also true that Israel is a friend and ally of America.

The diplomats are at work. It is too early to conclude that Israel will not act on its own elections plan.

— THE WASHINGTON POST.

Other Comment

On Scowcraft's Beijing Visit

President Bush has defended his dispatch of high-level emissaries to China this past weekend as a necessary act of statecraft, aimed at lessening Beijing's isolation in a time of momentous international change and so, presumably, encouraging a more stable world. But the furtiveness with which this mission was mounted, along with its flat-out contradiction of the administration's six-month-old ban on such contacts, and the appearance it has left of Washington approaching Beijing as a supplicant, all foster an impression of a foreign policy driven more by whim and uncertainty than by clear vision. Behind this supposed act of political pragmatism lies an embarrassing moral flabbiness.

— The Los Angeles Times.

President Bush was right to send two emissaries to brief Chinese leaders on his Malta meeting with Mikhail Gorbachev. China has one-fifth the world's population, nuclear bombs and a national interest in the U.S.-Soviet relationship that translates into a right to be informed. Keeping China isolated would only undercut efforts by the two leaders to lessen world tensions. As Mr. Bush said Monday, "I do not want to isolate the Chinese people." He seeks to reopen lines of communication rather than keeping them shut, as Democrats stridently urge, in retaliation for the June crackdown on Chinese demonstrators. Democrats complain that America should not kowtow, and so it should not. But not to have undertaken this perfectly sensible mission to Beijing would have been dereliction.

— The Baltimore Sun.

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The Future? Some Look To the Past

By William Pfaff

PARIS — With the fall of communism in Czechoslovakia, Part I of the great counterrevolution is accomplished. I say counterrevolution because for Central and Eastern Europe that is what it is: a restoration of multiparty governments, as before the war, and of open economies. For the Soviet Union, though, it is revolution.

The distinction may prove the difference between success and failure. Prewar governments in Poland, Bulgaria and Hungary were imperfect, largely unrepresentative, authoritarian. Still, like Czechoslovakia — a democracy where Czechs dominated discontented Slovak and German minorities — all bore greater or lesser resemblance to the West European systems that have produced today's democratic Europe. There is, in these countries, a past to be recovered.

Czechoslovakia is the most significant of the counterrevolutions; there really was a willed turn toward communism there after the war. Poland, Hungary and Bulgaria had communism imposed upon them by Soviet troops, and were told to call it revolution. Czechoslovak voters gave the Communist Party the largest bloc of parliamentary seats in free elections in 1946 — 38 percent.

The non-Communist parties resisted Communist efforts to take full power, but in February 1948, Communist cabinet ministers, who controlled information, the police and much of the trade union movement, forced the resignation of non-Communist ministers, and President Eduard Benes accepted a Communist-led government.

Two weeks later, Jan Masaryk, the foreign minister, son of the Czechoslovak Republic's founder, Thomas Masaryk, was thrown from a window, almost certainly by Communist agents, and killed. That event marked the true beginning of the Cold War.

Now the democratic game is on in East Germany, in Yugoslavia (where Slovenia and Croatia have rejected one-party government), and even in the hermit state of Albania. Criticism of the Albanian secret police, of human rights abuses and arbitrary police power has just been published there, in a novel by a former Interior Ministry official that has been praised by several Albanian journals.

Only Romania pretends not to change. But there is a smell of fear in Bucharest, where the preposterous and sinister dictatorship of Nicolae Ceausescu lives its final days.

And in the Soviet Union? A crossing-point arrived this week: multipartyism. Every one of the East European counterrevolutions has started as "reform" of Communist one-party government, and within weeks — even days — the public has demanded, and got, multiparty political systems. In the Soviet Union the principle of multipartyism was again rejected Tuesday by the Congress of People's Deputies — but the vote to debate the party's power monopoly was 839 to 1,138.

The reformers around Mikhail Gorbachev face a logical contradiction. The Communist Party leadership itself is instigator and agent of the radical changes that have transformed the bloc. To depose that leadership, ending its monopoly on power, risks jeopardizing reform and the continued rule of reformers. Obviously Mr. Gorbachev represents a reforming class, a reforming Communist Party intelligentsia; but if he, and they, were displaced, would the Soviet Union risk breakdown? It is a valid question.

The Soviet Union experiences revolution — or to be more cautious, prerevolutionary conditions. Revolution in 1917 produced so savage and radical a remaking of society that there is nothing to go back to — nothing to restore. Czarist society in 1914, quasi-absolutist, tentatively modernizing, saw a peasant mass, recently removed from serfdom, ruled by an essentially 18th century court and aristocracy, acting in tension with a relatively new and insecure middle class.

The peasants were killed by the millions in the civil war and the agricultural collectivizations and resulting famines of the early 1930s. The structure of peasant society was broken. The aristocracy, middle class and intelligentsia were destroyed; then, in Stalin's purges, the revolutionary intelligentsia was murdered.

Mr. Gorbachev's reforms are already more sweeping than the inconclusive reforms of 1905 to 1914, and he is in a vastly stronger position than Alexander Kerensky was in the summer and fall of 1917, when he led a provisional government struggling to remake the Russian system.

The Soviet Union's future is open. Mikhail Gorbachev is a far more formidable character than was Alexander Kerensky, or P. A. Stolypin, the strongest of the prewar czarist prime ministers. The people around him have a clearer vision of what must be done. They are not isolated internationally. There is no war to shock society into crisis, as the 1914 war did. The odds on Mr. Gorbachev's success are not bad — as these things go. But the risks are deadly serious.

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Scowcroft Mission: Ill-Timed Bow to a Medium Power

By Michael Yahuda

LONDON — It has been clear for some time that China is of declining importance in the management of U.S.-Soviet strategic relations. Beginning with the INF Treaty in 1987, the important milestones in superpower relations — including progress on Afghanistan and Namibia, and the recent developments in Eastern Europe — have been reached without Beijing's involvement.

Indeed, the significance of the visit to China by Mikhail Gorbachev in May, three months after a visit by President George Bush, was that the "strategic triangle" between Washington, Moscow and Beijing had ceased to exist. As the Soviet Union began to withdraw the bulk of its forces from Mongolia and thin out its troops north of China, the Soviet conventional military threat to the Chinese heartland, already diminished, has almost disappeared.

For the United States, the old idea of cultivating China as a means of constraining the Soviet Union has lost its practical relevance. China has become a regional power of relatively modest global significance.

But President Bush, the "unofficial head of the China desk in Washington," does not appear to appreciate these developments. According to his spokesman, the president sent his national security adviser, Brent Scowcroft, to Beijing over the weekend because "he concluded it is appropriate and in the long-term interests of the United States to inform the Chinese leadership of his discussions with the Soviet leader." Another administration official said: "You can't go ahead with U.S.-Soviet relations leaving the Chinese out of it."

It is as if no change in global politics, or in China itself, could alter the perception in Washington that China is still at the center.

Strategically, China lacks the capability to project its force much beyond its borders. Economically, it carries relatively little weight, accounting for only 2 percent of the value of world trade.

In the long view, China certainly will be of great importance in shaping developments in Asia and the Pacific. A stable, prosperous and secure China would make a major contribution.

But much will depend on the terms of that stability. China is in the throes of political crisis, compounded by an economic crisis that its leaders hope to solve by reverting to neo-Stalinism.

Surely, in light of the changes in Eastern Europe and the Soviet Union, the West should be sending altogether different signals to Beijing than those transmitted by the Scowcroft mission. Hard-liners in Beijing, instead of being challenged by the moves toward democratization by other Communist nations, can now draw a breath. And the Bush administration, rather than conducting a high-level review of China policy, seems intent on resuming something like business-as-usual.

Little thought seems to have been given to the regional implications of making it easier for China to acquire the capacity to project military power far beyond its territory. Nor has much thought been given to the signals from the Kremlin. Beijing makes no secret of its opposition to the Gorbachev reforms and the changes in Eastern Europe. Will not the hard-line opposition to Mr. Gorbachev in the Soviet Union be emboldened? What value will be placed on Mr. Bush's agreement with Mr. Gorbachev that the Cold War is over?

By making China a cornerstone of U.S. policy in Asia and the Pacific, the United States may distort much else in its foreign policy.

If Mr. Bush's intent was to demonstrate U.S. interest in not isolating China, he could have done so in ways that would have more specifically benefited the Chinese people. By sending envoys to meet Deng Xiaoping, basically on his terms, Mr. Bush exhibited romanticism in the name of realism — an abiding historical problem in American approaches to China.

The writer, a China expert, is a reader in international relations at the London School of Economics and Political Science. He contributed this view to the International Herald Tribune.

No, Bush Was Right and Courageous

By Michel Oksenberg

ANN ARBOR, Michigan — As a centrist Democrat who advocates policies that advance our national interest, I am troubled by the eagerness of many fellow Democrats to score debating points off President Bush's China policy.

The president is accused of being a wimp, this time for dispatching his national security adviser, Brent Scowcroft, to Beijing to "kowtow" before the Chinese. In reality, the sending of the Scowcroft mission was an act of courageous leadership.

The principal reason that Mr. Bush has given for the Scowcroft trip is persuasive: to maintain official contact with a leadership that is slipping into a position of dangerous isolation.

Governments throughout the world appropriately and immediately responded to the brutality of China's leaders in June by condemning the gross violation of human rights, by ceasing high-level contacts and applying an array of costly sanctions.

The cumulative impact of these measures, most of which remain in effect, has placed the hard-bitten leaders in Beijing in a bind. But the measures are creating a siege mentality.

What Mr. Bush has done seems prudent: to probe and to ascertain whether the pressure is inducing flexibility and to discourage Chinese leaders from sinking into the totally isolationist and anti-foreign posture that has too often characterized China.

While the events in China since June 1 are deeply abhorrent to us, the situation could easily become worse: even more oppression at home and a troublesome and recalcitrant China abroad. That is what the administration is attempting to prevent.

The continued tranquillity and prosperity of East Asia depends on China's constructive engagement. In Cambodia, Beijing has an indispensible role in influencing the Khmer Rouge and in forging a viable coalition government to bring peace.

And as the Soviet-American relationship undergoes fundamental change, it was important that both Washington and Moscow inform China of what transpired in Malta.

The burden is now on Beijing to help the U.S. administration. Rather than directing fire at George Bush, bipartisan pressure should now be exerted on Beijing for what measures it now will undertake to halt continued deterioration in relations.

Beijing should be urged to grant amnesty to demonstrators, acknowledge that the events of June were a tragedy, release an even incomplete list of the names of those killed in June, and halt the oppressive climate that pervades many universities and research institutes.

The Chinese could also take such steps as stopping the jamming of the Voice of America, allowing the dissident physicist Fang Lizhi and his wife to go abroad and resuming the Fulbright program.

A centrist policy demands both strong condemnation for China's human rights violations and an unequivocal and repeated acknowledgement that we continue to share many interests with Beijing, repulsive as its deeds of June and thereafter are.

The writer, a professor of political science at the University of Michigan, served on the Carter administration's National Security Council staff. He contributed this to The New York Times.

'Dear Sir,' the Know-Nothings Write

By Flora Lewis

PARIS — Scores of almost identical letters are pouring in from all over the United States attacking the Council on Foreign Relations and urging me to resign from it.

A typical one, from Lawrence Burke of Bayside, New York, reads:

"Dear Sir,

"Since the CFR is dedicated to a One World socialist state and the destruction of America, our free market and all of our freedoms, I want to ask why you associate yourself with this organization?

"Tyranny and treason are crimes against Christ and country! Please read the enclosed and please answer me."

The "enclosed," which came with most of the letters, was a printed page denouncing the council as "hardly [an organization] where any patriotic American should be found," and charging that it is led "by one man who boasted of his long record of dealing with murderous Communist regimes." In fine print, the man is identified as David Rockefeller of the Chase Manhattan Bank. The source for the "research" is given as the John Birch Society.

I later learned that many council members have been targeted in this weird and scurrilous campaign.

Apparently the attacks are not new. They normally peak in election years. Last year George Bush, then a presidential candidate, did resign from the council, presumably in response to this right-wing pressure.

But why the big push now? There is a frenetic tone to the campaign. Although the letters make no reference to it, they seem to be a response to the tidal wave that is sweeping the Communist countries.

It is as though these Americans were distressed that they are losing their favorite and familiar devil. If the Communist enemy disappears or turns out to be a decrepit incompetent who no longer entices anyone, whom are they going to blame for everything that goes wrong?

A letter from Durango, Colorado, says: "Our country is mocked and pushed around by any two-bit country that sees fit to do so ... while the same countries that jeer at us are allowed to steal vast sums of our money through such repugnant organizations as the International Monetary Fund, World Bank, etc."

(America led in establishing these institutions as part of the post-World War II reconstruction effort. They have played a major role in supporting free-world prosperity.)

There is a long American tradition of isolationism, know-nothingism and freaky suspicion of all things "foreign," despite the fact that Americans are a nation of immigrants. But it is surprising that in this age of instant communication, so many people succumb to such deliberate self-deception about relations with other countries.

The letter writers asked me to answer, so I am doing it here.

I joined the Council on Foreign Relations some 20 years ago, after it decided to admit women. It was criticized in those days, too, but usually for being terribly conservative, stodgy and establishmentarian.

In addition to issuing publications, available to everyone, it holds meetings where senior officials and experts from many countries explain their views and address important international questions. I always learn something when I can attend. I consider belonging to be an honor, and a useful one.

The real disgust of the Birchers seems to be the fact that the United States has foreign relations at all; that Americans need to know something about the world to deal with it.

Our freedoms are guaranteed to numbskulls, too. But that is no reason to undermine one of the specially well-equipped resources that the United States has to develop its understanding of world developments.

Foreign policy professionals often make use of the council and are able to serve America better for it. Two exceptionally good and well-liked ambassadors, versed in the local language and history, have made a big difference in Poland (John Davies) and Hungary (Mark Palmer). Vernon Walters, ambassador in Bonn, not a career diplomat but an old hand, was one of the few who foresaw current events in Germany.

Council debates are private, to encourage candor, but are not secret. If they influence government policy it is as "think tanks" do, by study and thrashing out conflicting views.

There has scarcely been a time when American interests more urgently needed the sober, informed thought about foreign affairs that the council promotes.

The New York Times.

Compared To This, '92 Will Be Easy

By Giles Merritt

STRASBOURG, France — The bandwagon of European integration — or the juggernaut, as Prime Minister Margaret Thatcher might say — is rolling again. Of late it seemed that factors were conspiring to slow the momentum of the European Community's 1992 drive, but last weekend's Strasbourg meeting of EC leaders has given European integration perhaps its strongest push.

The decision to open negotiations within a year on the shape and scope of economic and monetary union is a milestone. No one knows the details of such a union — what, how or when — but the Strasbourg meeting has triggered a process that eventually will determine whether the 12 EC nations can pool resources into a single economy, and thus accept a single political system.

What this means is that 1992 will soon be eclipsed by a much more impressive, but also more demanding, model of European unity. The requirements of a "single market," in terms of abandoning national sovereignty, are a pale shadow of the demands of an economic and monetary union.

Whatever formula reaches the negotiating table next December at the intergovernmental conference, there will eventually be no national economic policies to speak of within the Community. EC governments and their central banks will no longer have absolute control over levers like interest rates and money supply, the importance of which is as much political as economic.

That conference, therefore, will be far more ambitious than the last such conference, which led to the European Single Act, the basis of the 1992 process. Rank-and-file politicians and government officials throughout Europe may not yet be fully aware of it, but the agenda at the next conference will go further than technical questions concerning central banks and the development of the European Currency Unit into a Euro-currency.

Negotiations inevitably will extend into areas such as how the functions of national legislatures should be progressively diminished in favor of the European Parliament and the need to establish Community-level mechanisms for day-to-day economic management. Anyone who thinks that economic and monetary union can be left to bankers and financial experts is in for a rude awakening.

The striking thing about the Strasbourg meeting was the relaxed manner in which the leaders made their decision to begin the new process. Compared to the agonizing over details that has been a feature of the Community's earlier discussions on monetary union, at Strasbourg the decision seemed almost casual.

Mrs. Thatcher's rearguard opposition may have had something to do with it. Her view that the single market should be attained first, and that only then should Europe head into the uncharted waters of monetary union, probably had the opposite effect. It reminded everyone that momentum is all; wait for the pieces to fall into place and you may wait forever.

The chief reason for Strasbourg's confident move toward economic union, though, was Eastern Europe. When the Soviet satellite states first began lurching toward perestroika, EC governments were alarmed that their 1992 strategy might need to be modified to accommodate the new uncertainty. That attitude is still reflected by those who fear that the process of German unification will somehow weaken German interest in the European Community.

But European leaders now appear to have understood that these fears are groundless. On the contrary, they appreciate that by watering down the strength of European integration they would risk destabilizing the situation much more. With Eastern Europe in turmoil and with doubts surrounding the purpose of the NATO alliance, Europe needs the steadying influence of a more united Community.

What the events in Eastern Europe have shown, after all, is that, of the two great postwar experiments in the pooling of resources, the EC version has triumphed and that of Comecon has failed. The EC formula of an increasingly supranational free-enterprise economy has prevailed over a communist model that is inflexible and weakened by nationalism.

The price of nationalism is something the EC nations must not lose sight of as they wrestle with the difficulties of economic and monetary union. The concessions they will be asked to make in the name of such a union are going to be hard; much harder than anything yet achieved.

International Herald Tribune.

100, 75 AND 50 YEARS AGO

1889: Browning Is Dead

NEW YORK — Referring to Robert Browning's death on Dec. 12, "The Times" says: "He saw life steadily and saw it as a whole and has set forth the results of his seeing in so healthy, manly and largeminded a fashion that no prig has ventured to stigmatize him as immoral; and he is not interdicted to the young of either sex. The body of his work entitles him to the praise Landor long ago bestowed upon him as one of the most alert, inquiring and receptive of all minds whose thoughts are embodied in English literature." It is understood that the great Victorian poet will be buried either at Venice — that romantic cemetery island on the Lagoons where he died — or in Florence, where lie the remains of his wife.

1914: 'A Tuneful Ditty'

LONDON — German citizens in America have applied to Washington, asking that the air, "It's a long way to Tipperary," be barred from the American army, and have cited the action of the Navy, which declared that the tune was a departure from neutrality. Mr. Garrison, the Secretary for War, has simply said: "Tut, tut! 'Tipperary' seems a tuneful ditty, and as long as U.S. soldiers like it, let them hum, sing and whistle it to their heart's content. I cannot help what the Navy has done. I am only concerned with the army."

1939: U.S.S.R. Is Out

GENEVA — The Soviet Union was driven out of the League of Nations today [Dec. 14], branded for its aggression, for agreements it broke when it sent its armed forces into Finland and for its continued refusal to submit the dispute to arbitration. There were no negative votes, although many abstentions in scratching the membership, obtained in 1934, off the books. The British and French delegations declared that the Soviet Union was being condemned for doing exactly what Germany had done to Austria, CzechoSlovakia and Poland.

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OPINION

Rooting for Perestroika? Only if the Change Is Real

By William Safire

WASHINGTON — Do we want perestroika to succeed?

Let's see when it took root.

In the summer of 1982, Soviet military leaders were shocked into the realization that in a major conflict with U.S. forces, the U.S.S.R. was doomed to lose.

The unexpected fierceness of Afghan resistance and the subsequent U.S. arms buildup already had sowed the seeds of perestroika, but a specific event that dramatically showed Moscow the need for systemic modernization was the "peace in Galilee" campaign in Lebanon.

New U.S.-built planes piloted by Israelis destroyed 80 new Soviet-built MiG planes piloted by Syrians, without a single Israeli loss.

And vaunted new Soviet tanks were mauled by superior Israeli-built armor.

In this clash-by-proxy between the superpowers, Western technology, training and tactics won overwhelmingly.

The push of technological necessity developed unforeseen momentum.

The puppet regimes acting as a buffer on the Soviet army's western front were too costly to maintain; 540,000 Soviet occupation troops have gone into a "bastion mode" to avoid conflict with freedom-hungry locals.

This momentum of change set U.S. policymakers to agonizing over whether they should help Mikhail Gorbachev.

Hawks have been saying that the United States should let the Soviet system sink, because only desperation and deprivation will force the sort of radical economic change — private property, market prices, individual decision-making — that will ensure the implantation of political freedom.

Doves, contrariwise, have declared the Cold War over. They consider the continued occupation by Soviet troops, as well as continued support of warlike outposts of empire, to be mere vestigial remnants of a wished-away era.

They want perestroika to succeed, lest failure lead to reaction or Bonapartism.

George Bush, fearful of a potential "who-lost-Gorbachev?" charge, has sided with the doves.

At Malta, he handed Mr. Gorbachev all the economic openings the Soviets have long desired, asking nothing.

In addition, he agreed to subordinate troop withdrawals to missile reductions.

In return, the Soviet leader listened to his complaints about arms to Central America without getting angry.

The rationale behind the Bush largesse is that generosity will encourage Moscow's best impulses, strengthening Mr. Gorbachev's hand against the meanies.

We will not be propping up the communist system, the dovish argument goes, but by offering trade and credit we will be weaning it from totalitarianism.

This is the tactic called preemptive concession, part of the grand strategy of aggressive acquiescence.

Will this extension of trust deliver results? Will the Soviet Communist Party submit to political challenge, and will its failed central planners offer more economic freedom?

When events are in the saddle, answers arrive speedily. At the Congress of People's Deputies, Andrei Sakharov moved to consider ending the party's power monopoly; Mr. Gorbachev was not ready and brushed him aside.

Political competition, say doves, would be too much too soon, encouraging "instability," the new code word that frowns at striking while the iron is hot; first must come changes in economic philosophy.

By EWK in Aftonbladet (Stockholm) C&W Syndicate

That notion was promptly kicked in the head by Mr. Gorbachev's prime minister, Nikolai Ryzhkov, who declared that "the state is the owner of the means of production" and outlined a plan that enshrines central planning and blocks incentives for hard work.

This leap backward cannot be what Mr. Bush had in mind when he extended his offers of trade and aid.

The fuzzy talk of ruble convertibility within an Eastern economic bloc already looking westward represents a failure of will by the Gorbachevites; they are paralyzed by the prospect of a loss of power and will not take the action necessary to save their nation.

Yes, we want perestroika to succeed — if, and only if, that means wresting power from a kakistocracy and vesting sovereignty in the people.

If it means making the Soviet Union safe for cosmeticized communism — if it means delaying and denying the worldwide surge for freedom that has so surprised the men who set it in train — we want perestroika to fail.

The New York Times.

LETTERS TO THE EDITOR

The Top Comrade's Luxury

For 18 years, in the name of Marxist-Leninist purity, Erich Honecker ruled East Germany with an iron fist, while cultivating his aristocratic taste for, among other things, hunting at a lavish country estate maintained at the public's expense. Now that his ulterior motives for retaining power have been revealed, one must wonder what private luxuries feed the tenacious rhetoric of other communists, such as Fidel Castro, Nicolae Ceausescu and Deng Xiaoping.

MAX DRAKE.
Madrid.

Anti-Marxist Revisionists

When may we expect relief from the orgy of cheap shots at poor old Karl Marx? The cartoonists and pundits milking this one have probably never read so much as a paragraph of what Marx wrote before his name was hijacked by 20th century revolutionaries.

Those who take seriously the pretensions of a Stalin or a Brezhnev to be Marx's ideological heir merely demonstrate their gullibility.

Marx's works will stand as incisive diagnostic masterpieces on industrial society and the predicament of the average working Joe — West or East.

ROD MILLER.
Geneva.

A Good Beginning in India

The decision by the new prime minister of India, Vishwanath Pratap Singh, to pray in the Sikhs' holiest shrine, the Golden Temple, is as significant as the appointment of a Muslim home minister. It appears to affirm the secular character of his government, tarnished as it is by the fundamentalist Bharatiya Janata Party, on whose support Mr. Singh's minority administration will depend.

The most daunting problem facing the government, after all, is the tension between the majority Hindus and the ethnic minorities, especially in the states of Punjab, Assam, and Jammu and Kashmir.

Rajiv Gandhi generated euphoria at the start of his mandate by loosening the red tape that suffocated India's economy, challenging the corrupt oligarchy of the Congress (I) Party and making a courageous deal to end Punjab's Hindu-Sikh violence. Unfortunately, he soon backed down from these important decisions.

Mr. Singh must learn from that.

MADANJEET SINGH.
Paris.

The writer is a former ambassador to India and author of "This My People."

End of History: So Misunderstood by So Many

By Francis Fukuyama

WASHINGTON — After seeing the millions of ink that have been spilled over my essay "The End of History?" have come to realize that my real accomplishment has been to produce a uniquely universal consensus, not on the current status of liberalism but on the fact that I was wrong and that history has not in fact ended. This consensus is all the more remarkable since it extends from Margaret Thatcher and William F. Buckley on the right to The Nation and Mikhail Gorbachev on the left. Who was the last American politician to have done that?

The most common misunderstanding has been the failure to comprehend or accept Hegel's use of the word "history." Many people become upset when one fails to employ the conventional definition of history as a random sequence of events, in which there is no inherent hierarchy or attempt to distinguish between the more and less important.

The notion that history can come to an end should surprise only those unfamiliar with the Hegelian-Marxist tradition. "History," for Hegel, can be understood in the narrower sense of the history of ideology, or the history of thought about first principles, including those governing political and social organization. The end of history then means not the end of worldly events but the end of the evolution of human thought about such first principles.

Readers of my article were not the first to be astonished at the notion of the end of history. Hegel himself provoked considerable outcry by his own declaration of the end of history in the early 19th century, in particular on the part of the young Karl Marx, who felt that the manifest injustices of the society of his time belied Hegel's confident assertion that "everything that is real is rational." Indeed, he spent his career trying to show that Hegel was wrong — not about the possibility of an end of history, but rather in his declaration that the end had already arrived.

We are still living with the consequences of Marx's attempt to confront Hegel: in the decaying Communist regimes in East Germany, Czechoslovakia and Bulgaria, in the vast armies of bureaucrats that still hold arbitrary sway over the lives of millions of people in the Soviet Union and China, in the guerrillas in the jungles of Cambodia awaiting their return to power. The total and manifest failure of communism forces us to ask whether Marx's entire experiment was not a 150-year detour and whether we need to reconsider whether Hegel was not right in seeing the end of history in the liberal-democratic states of the French and American revolutions.

To refute my hypothesis, then, it is not sufficient to suggest that the future holds in store large and momentous events. One would have to show that these events were driven by a systematic idea of political and social justice that claimed to supersede liberalism. A nuclear war between India and Pakistan, horrible as that would be for those countries, does not qualify, unless it somehow forced us to reconsider the basic principles underlying our social order.

□

Another layer of misunderstanding of my article has to do with the way in which it was somehow related to the current policies of the Bush administration. It is perhaps not sufficient to note that the article was conceived and written well before I had any intention of joining the State Department, or that I am a relatively junior official with little impact on policy.

I am constantly amazed at the parochialism of the political class in Washington (particularly in the media), who cannot understand that there are more important issues than a given administration's foreign policy agenda, consequential as that may seem at the time. The more fundamental problem I was trying to address was the truth and adequacy of liberalism as such.

A related misunderstanding concerns my view of the relationship between developments in the realm of ideas and those in the real world. I have been accused of complacency in believing that recent gains for liberal democracy are permanent, of providing a justification for the alleged "timidity" or inaction of the Bush administration, and (in France) of signaling an impending U.S. isolationism on the ground that the Cold War has been won and that America can come home from Europe.

I did not mean that the democratic revolution was complete; it will require much struggle.

Here I admit I could have been clearer. When I said that "the ideal will govern the material world in the long run," I did not mean that the process would be an easy or automatic one, or one that would take place without the active intervention of governments and individuals. The democratic revolution is far from complete in the world and will, in Hegelian terms, require considerable work and struggle to implement more fully. The enormity of the tasks facing the reforming governments in Eastern Europe is daunting and success is far from assured.

But we have to recognize that an important revolution is under way in the world, and that in that revolution, ideas count. It must be of some consequence to us when the general-secretary of the Soviet Communist Party announces that the essence of socialism is for the weak to get out of the way of those who are strong and productive, or when he says that his party has no monopoly on the truth. Events of our century have understandably traumatized us and made us highly cynical about the possibility of progress. We have to be careful that this cynicism does not exceed the bounds of simple prudence and blind us to reality.

□

The most common criticism has been that I have been very premature in writing off communism, either as a force in the real world or as an idea. In support of this charge, various writers have pointed to the incompleteness and fragility of the reform processes in the Soviet Union, China and Eastern Europe, and the continuing vigor of hardline Communists, most notably evident in the Beijing crackdown that occurred after my article had been written.

I would be the first to admit that the reform processes under way in the communist world are incomplete and fragile. The tragic repression that occurred in Beijing last June set back the cause of liberalization in that country many years, and one would be foolish to assert that such a reversal could not occur in any one of the countries currently undergoing reform.

Nonetheless, I question whether such a reversal could ever fully bring back the Soviet Union that we knew and feared. For the traditional Soviet threat arose not only out of the military power and material resources of the U.S.S.R., but out of the fact that it claimed to embody a universalistic idea that was inimical to our own way of life. It is precisely that messianic sense of mission that seems the least likely to be resurrected. A new conservative leadership in the Soviet Union could use the traditional instruments of repression — the police and army — to restore order, but it will be very difficult to resurrect old Marxist-Leninist nostrums to repair the party's moral authority or fix the abiding problems of the economy.

□

As communism recedes from Eastern Europe, it is fascinating to watch the recrudescence of longstanding nationalist conflicts such as that between Hungary and Romania over the Hungarian minority in Transylvania. The big test of the relative durability of liberalism and nationalism will come in Germany, which is why so many Europeans are looking at the prospect of German unification with misgiving.

While this suggests that the post-historical era will not be free of significant conflict, we still have to put that conflict in perspective. Conflicts between Hungary and Romania, or Bulgaria and Turkey, or Armenia and Azerbaijan, tragic as they may become, simply do not begin to reach the scale of the big, continent-wide nuclear weapons that we have been fearing and planning against these past 40 years.

Allan Bloom has suggested that such a virulent nationalism could still arise even in the heart of Europe as an outgrowth of one of the existing rightist anti-immigrant parties in France or West Germany. Others have suggested that the Green movement has similar authoritarian potential. This is all possible.

But the country where fascism may have the greatest potential may be the Soviet Union. The Slavophile authors who write for conservative Soviet journals such as Nash Sovremennik or Molodaya Gvardiya speak a language unheard in Europe for many years, and are uncomfortably close to the Soviet mainstream. If post-Tito Yugoslavia in some sense represents the Soviet Union's future, one should worry whether there is not some Russian like Slobodan Milosevic, the Serbian leader, waiting in the wings — a party apparatchik who one day blossoms into a fascist demagogue, rousing the dominant nationality to reassert its "rights" against all the others. This possibility is real.

□

The final competitor to liberalism is what could be called the "X-factor" — in Charles Krauthammer's view, the evil side of human nature that will express itself in ways we cannot predict. Such developments are of course possible. Hegel himself did not envision the appearance of either fascism or communism in 1806.

We all agree that the democratic-egalitarian trend can be resisted and even reversed in individual countries for considerable periods of time. The larger Hegelian question is whether the long progress toward modern democratic-egalitarian consciousness since at least the beginning of the Christian era in Europe can itself be regarded as a "blip" or accident of history that is itself completely reversible, or whether our underlying natures have changed.

Is it conceivable that in another hundred years or so we will be living in a world in which the legitimacy of slavery will be generally accepted, or that we could pass through a cycle of monarchies and aristocracies whose moral foundations are as secure as those of present-day democracies?

Will a future global cataclysm, either nuclear or environmental, wipe the slate clean, so to speak, and start the historical process over again? Or will we pick ourselves up from where we left off and rebuild our world as it was before the crash, continuing our current arguments over the rights of women and minorities or worrying about the erosion of the First Amendment? I simply pose these questions without hope of answering them.

The writer is deputy director of the State Department's Policy Planning Staff. The views in this essay are his own and do not reflect those of the State Department. This was adapted by The Washington Post from the current issue of The National Interest.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

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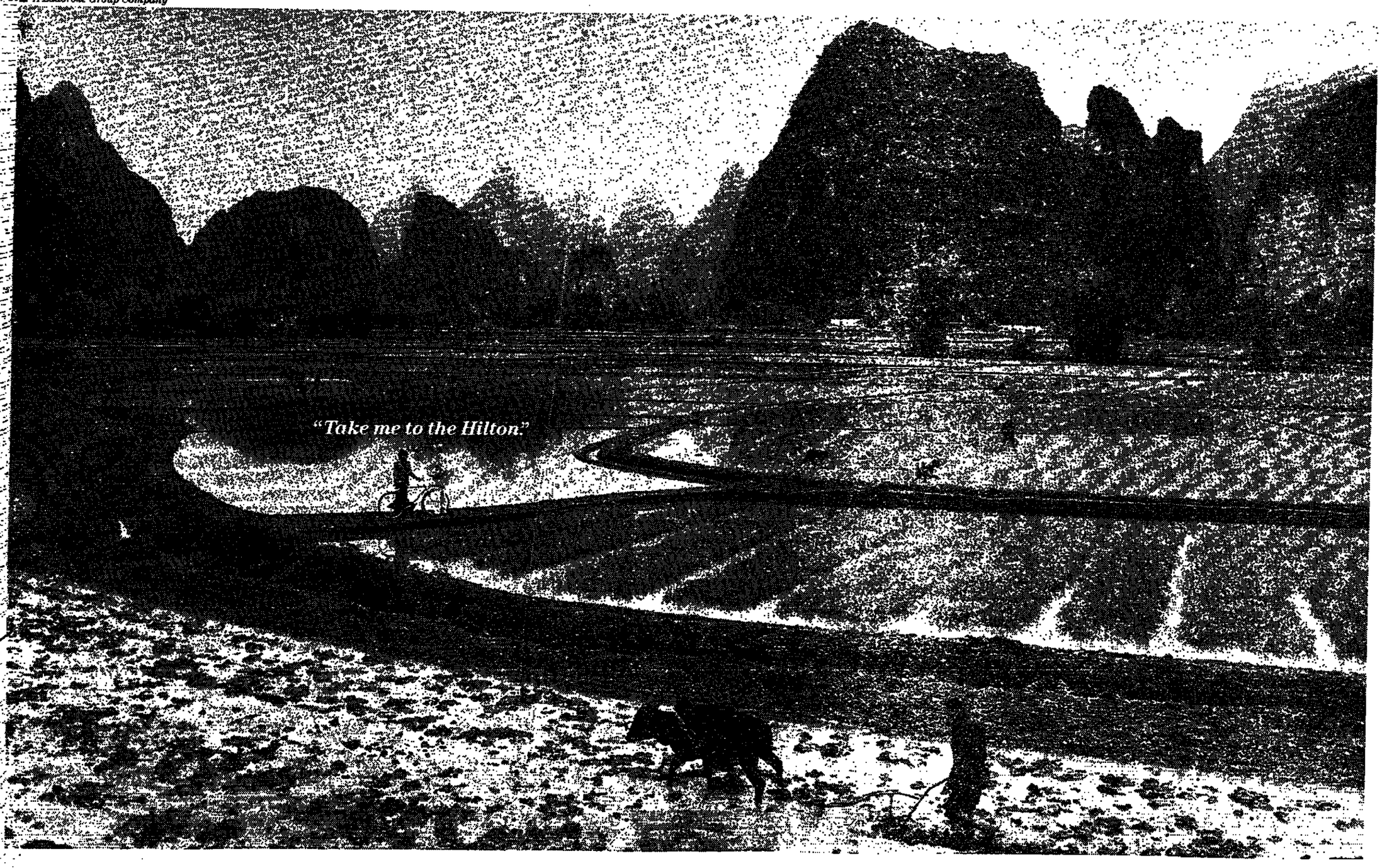

The research was finished, the fact-finding done. Now he had an editor and a deadline to meet. He needed peace and quiet. Somewhere to work comfortably, with everything to hand. "Take me to the Hilton." There was simply nowhere else like it. Wherever his travels took him, he liked to make the Hilton his base. It combined friendliness and efficiency in a way no-one else seemed to. Sometimes his editor didn't understand him. At the Hilton, they always did. ◇ For reservations at over 40 hotels, call your travel agent, any Hilton hotel or Hilton Reservations World-wide: (UK: 01 780 1155, Gemany: 069 25 01 02, France: 1 46 87 34 80.)

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ASIAN TOPICS

Nauru's Presidency: The Revolving Door

The tiny Pacific island republic of Nauru has voted its third president into office this year. Former President Bernard Dowiyogo won the surprise parliamentary vote, 10 to 6, defeating another former chief executive, Hammer DeRoburt. Mr. Dowiyogo took over from President Kenis Aroi, who had to step down for health reasons. Mr. Aroi has been flown to Australia for emergency treatment of diabetes complications.

Mr. Dowiyogo and Mr. Aroi had been allies in the defeat in August of Mr. DeRoburt, who was president when Nauru became independent of an Australia-administered United Nations trusteeship in 1968. Mr. DeRoburt has been in and out of the presidency ever since.

Around Asia

Breaking more than a thousand years of Japanese tradition, a government committee has recommended Tokyo rather than Kyoto for the enthronement ceremony of Emperor Akihito, local news organizations reported Thursday. Security reasons were cited for recommending the shift, the daily Mainichi Shimbun reported.

The average South Korean male drinks a half-liter of beer or the alcoholic equivalent in rice wine, grape wine, whiskey or other distilled spirits every day, officials say, and drinking increased 2.77 percent this year. Penalties for drunken driving also are going up, from 500,000 won ($750), or one year in prison, to two million won, or two years in prison.

The Pakistani government has refused to foot the bill for a cocktail party given by its former ambassador to India on his departure from New Delhi, according to press reports in Islamabad, the Pakistani capital. They quoted Foreign Minister Sahabzada Yaqub Khan as saying that the former envoy, Niaz Naik, would have to pay for the party. Answering opposition charges that official receptions were violating Islamic principles against alcohol, the minister said the government intended to "ensure the nonrecurrence of such incidents."

Manila police interrogated a sixth-grade pupil in a state school after he wrote his science teacher threatening her with death if she did not give him and his friends high marks. Police said the 11-year-old boy was sent home with a reprimand. In the letter, the boy demanded that the teacher, Imelda Jorvina, give him and 10 classmates grades of 90 to 95 out of a possible 100. "Don't play with your life," one sentence read. The letter was signed "Mr. Killer." The teacher traced the boy through his handwriting. She refused to press charges. The boy was to have been given a mark of 88 anyway.

Arthur Higbee

Susumu Takahashi/Reuters

Wuer Kaixi, the exiled leader of China's student democracy movement, who criticized the visits last week by U.S. officials to Beijing. He said Thursday in Tokyo that such visits "will not help the Chinese people, the American people or the world as a whole."

China to Let In VOA Reporter

By Don Oberdorfer
Washington Post Service

WASHINGTON — The Chinese government, in a move that may be linked to the recent visit by two senior U.S. officials, has informed the Voice of America that the radio network will be permitted to send a correspondent to Beijing after a five-month hiatus.

The director of the Voice of America, Richard W. Carlson, said the decision was conveyed Wednesday to the network's office in Beijing by a Foreign Ministry official.

Accompanying the decision was a formal statement asking the VOA to "do its best in its reporting to be factual and objective so as to contribute to the enhancement of understanding between the two peoples of China and the United States and the improvement of the development of relations between the two countries."

The ministry statement asserted that VOA reporting on China had caused "strong discontent among the Chinese public" in the past.

Mr. Carlson said there was no reference, in the ministry's oral or written comments, to the visit to Beijing last weekend by Brent Scowcroft, the national security adviser, and Lawrence S. Eagleburger, deputy secretary of state. The visit involved the first extensive high-level meetings with Chinese officials since the massacre of pro-democracy demonstrators in Beijing last June.

A U.S. official said that admission of a new VOA correspondent, as well as a cessation of China's jamming of VOA broadcasts, were among the items brought up by the U.S. side in last weekend's high-level discussions.

■ China View of Meeting

China denied Thursday that Washington had "kowtowed" to Beijing and said that Mr. Scowcroft's visit was a step toward repairing strained relations between the two countries, Reuters reported from Beijing.

But a Foreign Ministry spokesman gave no hint of any concessions to the United States in the talks. Asked whether President George Bush had "kowtowed," the spokesman said: "Such comments are incongruous with the facts. Both China and the U.S. agree that emissary Scowcroft's visit was positive, constructive and useful.

"Under current circumstances where the international situation is undergoing the most profound changes, contacts are both necessary and beneficial," he said.

"There are still some differences of views, but China and the U.S. have major common interests in a wide range of areas. So long as two sides make common efforts they will be entirely able to maintain their mutual interests while preserving their respective positions so that Sino-American relations will be restored soon and even further developed."

The spokesman reiterated China's contention that the sheltering of Fang Lizhi, a leading dissident, at the U.S. Embassy in Beijing had been a breach of Chinese and international law, but he did not repeat Beijing's allegation that Washington deliberately instigated the pro-democracy unrest that swept China in April and May.

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In Waldsissen's opulent library, above, life-size figures decorate supporting columns. Right, visitors study the ceiling in Wiblingen.

Photos by Margot Granitsas

Baroque Splendor For Precious Books

by Margot Granitsas

TRAVELERS through southern Germany in the 18th century — in general no tourists but, rather, serious researchers in various fields — returned full of praise for the treasures they had come upon in the libraries of remote monasteries. Today's visitor is likely to find more interest in the exuberant Baroque and Rococo architecture of these libraries than in whatever volumes can be found within them.

In the Middle Ages, the monasteries were important centers of learning, and monks produced breathtakingly beautiful manuscripts richly illustrated and illuminated with gold. Later, monasteries took up the printing press. Thus, the monastic libraries became vast storehouses of knowledge.

When, in the late 17th century, the Roman Catholic Church entered into a period of furious reconstruction, replacing modest monastic complexes with huge and opulent new ones, elegant libraries in the Baroque style were built to house the precious tomes.

During the Napoleonic Wars (1803-1815), as part of the program of secularization, political power was transferred from church centers to the many principalities and states. Monasteries were closed and their contents dispersed. When those institutions that eventually reopened began reassembling their libraries, they found the task formidable. Some, such as those at Ottobeuren and Metten, in Bavaria, succeeded admirably.

The Benedictine monastery at Ottobeuren was my first stop on a recent tour of monas-

Continued on page 10

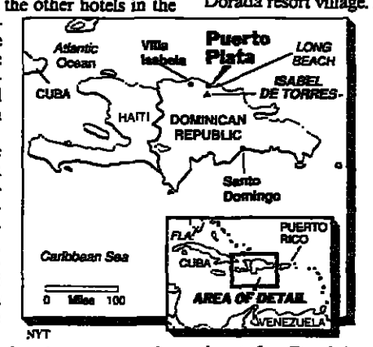
A Caribbean Village Where Peace, Quiet Aren't on the Menu

by Joseph B. Treaster

PUERTO PLATA, Dominican Republic — By 10 o'clock on a Sunday morning, the disco music was drifting up from the hotel patio and a splashy game of volleyball was going in the mango-shaped swimming pool. A towel attendant was dancing behind his counter. A couple of people in bathing suits were playing table tennis. Most of the lounge chairs were filled with pink bodies yearning for a tan, and the bar was busily turning out piña coladas and rum punches.

It was like that at the other hotels in the tourist village of Playa Dorada on the north coast of the Dominican Republic: the party started early and rolled on through the night.

This is not the place for a quiet week in the sun. This is action city. Golf, tennis, water skiing, scuba diving, sailing, fishing. Not interested in conventional sports? How about the game where male guests pretend they are cocktail waiters and try to race across the pool in chest-deep water, balancing trays loaded with mixed drinks and bottles?



NYT

Loud, pulsating merengue bands liven up the buffet lunches. Sunset brings out the folk dancers, acrobats, magicians and fire eaters. After dark is the time for limbo contests, bonfires on the beach and land crab races. Way into the early morning hours, blackjack tables and roulette wheels at the village's two casinos are hopping.

"You're always on the run," said one Dominican who knows Puerto Plata well. "They keep you going seven days a week."

The resort village, sprawling over 64 acres (26 hectares) of tropical landscape, has become a magnet for vacationers looking for a frenetic week in the sun at bargain prices. Most people come on charter packages that include air fare and hotel. In the summer, many Caribbean resorts look like ghost towns. But the nine hotels at Playa Dorada run at near capacity year round; five more hotels are being built.

The hotels wrap around an 18-hole golf course designed by Robert Trent Jones, and many of them face the sea. Sprawling bushes of scarlet and violet flowers and hedges of hibiscus line the roadway. Clumps of banana trees mingle with coconut palms. Coffee plants and grazing cattle dot the blue-green mountains that rise in the distance.

This area was one of Columbus's first stops in the New World. On Dec. 10, 1493, he established a settlement at a place he called Isabela. Nearby, three years later, his brother Bartholomew founded the city of Puerto Plata, which encompasses the Playa Dorada resort village. Bartholomew supposedly gave Puerto Plata its name, which means Silver Port, because he was struck by the way the sun reflected off the clouds and fog that so often drape the most prominent mountain in the area, Isabel de Torres.

Puerto Plata grew into a thriving port city. It was a favorite pirate haven in the 17th and 18th centuries and until about 1940 was the main depot for Dominican sugar and tobacco shipments to Europe and the United States.

The Dominican government developed the resort village over several years in the 1970s, with help from the World Bank, and nine years ago the first tourists arrived in two chartered jets from Toronto. That established a style of tourism that the country has followed as it has become one of the most popular tourist places in the Caribbean. Annual growth has been running at 20 percent, far above other spots in the region. The country now boasts 16,500 hotel rooms, or more than any other Caribbean country, and another 6,500 are under construction. Last year, a little more than 800,000 people vacationed in the Dominican Republic.

The chatter on the long, sweeping beach sounds like the United Nations. Canadians predominate, speaking both English and French, but there are also plenty of Americans and lots of Germans. Italians, Span-

Continued on page 10

A Rare, Unsettling Glimpse Into Albania

by Marvine Howe

TIRANA, Albania — For years I had wanted to visit Shqiperia — the land of the eagle — whose people reputedly descend from the ancient Illyrians and have spent their entire history fighting foreign domination. But Shqiperia, better known as Abania, has been the most rigidly controlled and impenetrable country in Europe. Ruledby the Stalinist leader Enver Hoxha for 40 years, Albania turned its back on the United States, the Soviet Union and China, prefering to go it alone.

Until recently the Socialist People's Republic of Albania was virtualy closed to Americans, except for a few carefully screened Albanian-Americans But now, President Ramiz Alia, who has ruled since Hoxha's death in 1985, has begun to open the doors to a limited number of foreign tourists. An estimated 10,000 tourists visited Albania this year, just a handful of them Americans.

At the end of October I joined a Greek tour group in Athens for a six-day tour to Albania; our overall impressions of this Communist Balkan state on the Adriatic were mixed.

There is a pristine charm about the rugged, mountainous country, which is a little smaller than Belgium and has only three million inhabitants. Albania, which sits between Yugoslavia to the north and east and Greece to the south, is the world as it used to be in the 1950s. The insular society seems to have escaped such modern ills as drug addiction, alcoholism, violent crime, AIDS and automobile congestion. It is practically an environmentalist's paradise, with generally unpolluted air, clean parks and beaches and natural, fresh foods. The state assures its citizens housing, employment, free health care and schooling and cultural opportunities.

But these advantages have come at the price of total suppression of freedom of speech and movement, the outlawing of all religious faiths and practice, and the abolition of all private property, including private cars. The Sigurimi, or secret police, are everywhere and anyone seen making the sign of the cross can get a three-year jail sentence.

Although our time and contacts were limited, most of us came away wondering how long Albania could escape the whirl-

Continued on page 10

Marvine Howe/The New York Times

The town of Girokastra, Enver Hoxha's birthplace, has been declared a national monument.

TRAVELER'S CHOICE

Berlin Wall: It's a One-Way Opening

■ The Berlin Wall may have opened, but the openings are thus far decidedly one way The Washington Post reports. It is obviously far easier for East Germans to visit the West. And although negotiations are under way to make the crossing to the East simpler for West Germans, other foreigners face much the same expense and border formalities that the East Germans have always insisted upon. Americans in West Berlin may not take advantage of the new openings in the Wall. By car or foot, they must cross through Checkpoint Charlie or by the rail crossing at Friedrichstrasse.

An Album of Britain's Very Odd Houses

■ After a fire in 879, the Marquis of Bute rebuilt his family manor at Mountstuard on the Isle of Bute in the Firth of Clyde. The extraordinary mixture of Venetian, French and Spanish Gothic architecture used by Lord Bute's architect, Rowand Anderson, assured Mount Stuart's place on the maps of things to see in Scotland. The photographer and writer Lucinda Lambton uses the manor as the starting point of her recent book, "An Album of Curious Houses," published by Chatto & Windus, London (£10.95). The other eccentric houses profiled and photographed range from a timber-framed house perched in the branches of a tree for over 300 years to the eclectic post-modern house by Graham Ovenden on Bodmin Moor.

Galveston's Cruise Ship Terminal

■ The island city of Galveston, Texas, is converting a 1927 cotton warehouse in its port into a 26,000-square-foot terminal for cruise ship passengers. Scheduled to open in February, the $2 million Texas Cruise Ship Terminal will include a gangway, customs facility, waiting hall, ticket counters and concession stands.

Direct Flight: New York to Caymans

■ Vacationers bound for the Cayman Islands will be able to fly nonstop from New York for the first time starting Dec. 15. Cayman Airways, the British colony's national carrier, will fly its new Boeing 737-400's from Kennedy International Airport in New York every Friday, Saturday and Sunday.

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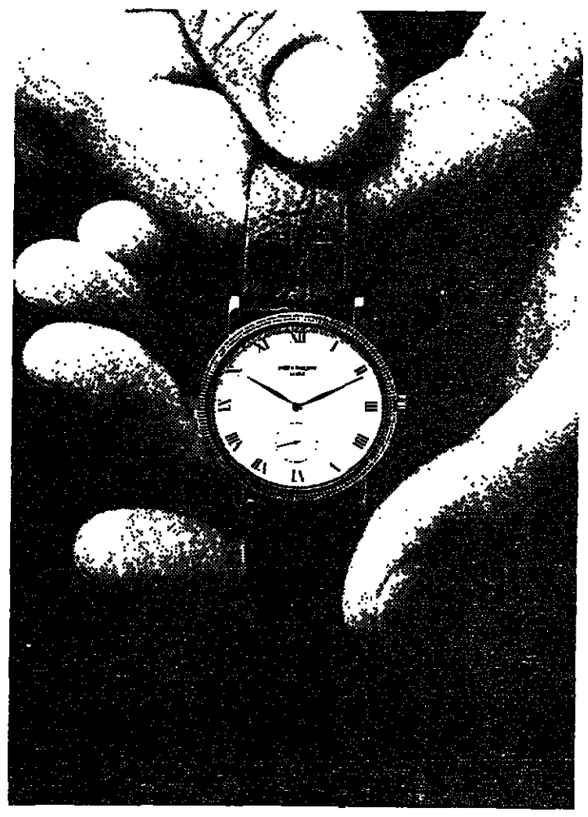

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TRAVEL

THE FREQUENT TRAVELER

Getting the Most From an Agent

by Roger Collis

IS your travel agent working for you? "You must be kidding! Guy's a pro. He saves us a fortune in air fares, hotel rooms. Gets us upgrades and delivers tickets by courier. Gives us fantastic kickbacks on our total spend. I mean, we expect it; we're big players in his game." Ask a stupid question, as they say.

But it's a question that those who buy travel should ask themselves. Agents traditionally work on 9 percent commission from airlines, hotels and other services. So is the agent working for the suppliers, his principals? You would think so. After all, the harder he works at finding a better deal for you the less commission he earns.

It's a buyer's market. Competition for the business dollar is so intense that agents routinely give rebates, or kickbacks, to corporate customers of 4 to 6 percent. This practice will bring diminishing returns.

"There are far too many agents and everybody is selling on price," says Colin Rainbow, commercial director of Pickford's Travel in London, one of the top four business travel agents in the country.

Enter the principals bearing gifts and threats for the agents. Bring us more business and you'll get a special "override" commission. If need be, we can sell direct to your customers. For airlines the name of the game is to install their own CRS (computer reservation system) exclusively in a travel agent's office. By offering the agent overrides, cash bonuses for switching flights and other inducements, airlines can influence the quality of information and service that an agent provides to his customers. "Intelligent" terminals linked to the new super CRSs being developed give the agent more power to add his own bias to that of the CRS and further lead the customer astray.

Says Dick Gray, London-based vice president, Europe for Official Airline Guides, a sister company of Thomas Cook Inc. in the United States (no relation to Thomas Cook in the rest of the world). "Override revenue often goes straight to the bottom line. Our president, who also runs Thomas Cook, says, 'We will always book what the customer tells us.' Business callers will usually specify what they want and Cook doesn't try to move them off that. But I do know that if the customer does not have a specific request, then Cook is trained to go where the overrides are most beneficial."

"ABTA [Association of British Travel Agents] advises its members that they are not in the business of selling the cheapest fare — the retail view," says Arthur Lyddall, travel manager at Chevron in London.

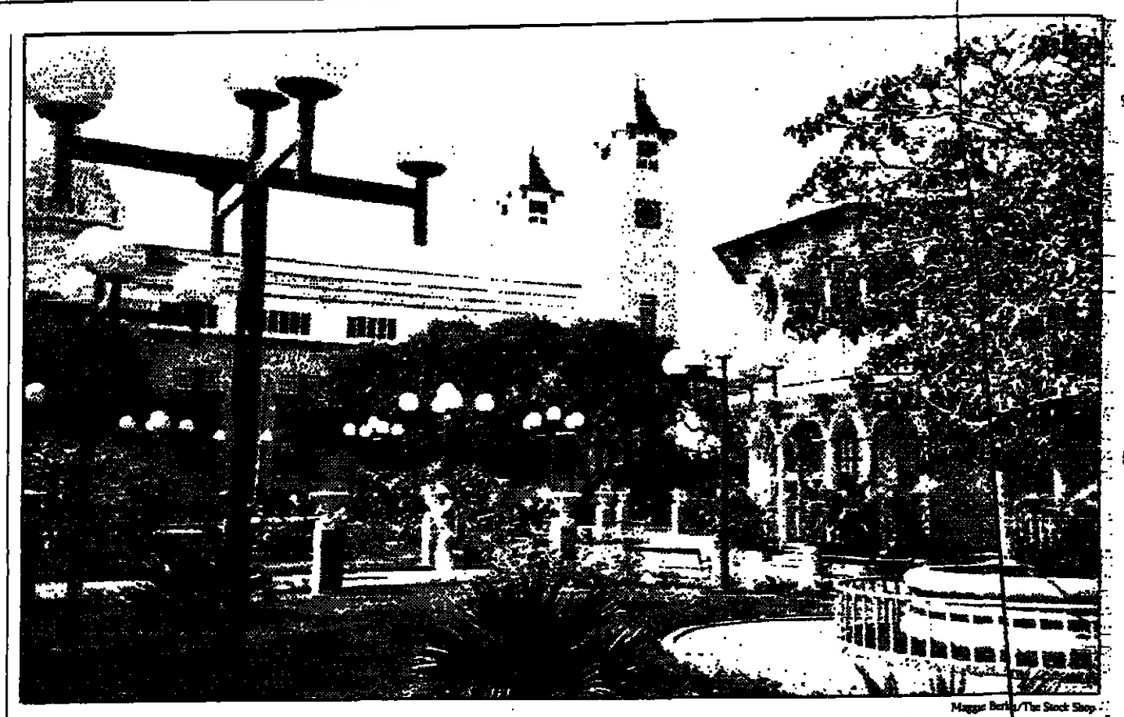
The more an agent works at getting a deal for you, the less commission he earns.

The only way to counteract bias is to get the agent working for you. This means being a better purchaser.

Here is a checklist that may help:

- What you are seeking — economy above all or the highest standard of service? A firm of consultants that charges travel expenses to its clients is likely to have different notions of comfort and price than a manufacturing company that is looking for rebates on frequently traveled routes.
- Compile a short list of agents and invite them to pitch for your account, using your travel policy as a base for discussion. Show each of them how you are spending and ask them how much money they will save you, given the standard of service you require. How important a customer will you be? Go with an agent who is best at listening to what you want to achieve.
- Expect an agent to provide a round-the-clock, on-line reservations service (he may give you a free direct line and VDU in your office), a courier service for tickets and other travel documents, free help with visas and passports, no 1 percent charge on travelers checks, health, climate and weather advice and discounts on travel insurance.
- Ask what CRS the agent is using and be wary if you find it is hosted by a national airline. You will be far better served with one of super CRSs being developed by airline consortia — such as Galileo and Amadeus in Europe. These are a one-stop travel service for plane tickets, hotels, car rentals, and lots of other things. But there's still scope for an agent to bias information to customers.
- Ask the agent if he is getting any special prices or override commissions on certain airlines, and if so will he give a price deal? You can save up to 40 percent on long-haul tickets. Some agents "front" for airlines wanting to offload excess capacity on some routes, but who don't want to go public with
- Ask what prices the agent can give on hotels. A good agent should be able to get you the "corporate rate" (10 to 50 percent off the rack rate at hotels with which they have a volume discount.
- Can the agent help you to get your own volume discount with an airline on frequently traveled routes? "We'll sit down with the airline and the client," Rainbow says, "and work out a discount based on the number of sectors (that's one-way trips between city pairs) that the client says he will buy during the next year."
- Consider a fee arrangement whereby all commissions are handed over to you. This requires total glasnost. The agent should keep separate books for your account and you both agree an auditor.
- Ask the agent if he will establish an "implant" at your offices to handle all your travel on the spot. Depending on the size of your travel budget, the agent will pay for all or part of this cost. "Implants are becoming more and more popular," Rainbow says. "You can change plans as many times as you want and have tickets in minutes."
- Be wary of lavish promises of cost savings, priority service and extended credit terms (beyond 45 days). You may be offered a discount, or kickback, of 3 to 5 percent in an attempt to get your business. But in a short time you may find the agent cannot keep his promises in a changing market. Squeeze too hard and something has to give. It is likely to be service.

After all, getting a discount does not mean you won't get wrong advice. ■



Maggie Berlin/The Stock Shop

Puerto Plata's main plaza with the twin bell towers of the San Felipe Cathedral in the background.

Playa Dorada *Continued from page 9*

iards and even some Scandinavians. The outfits are international, too, and run the gamut from prim to skimpy to topless. Spanish is the first language of the resort employees, but most can communicate in several languages.

Pine trees and coconut palms edge the beach and at one point a patch of jungle and swamp have been manicured into a small park. It is quiet in the park, but every now and then a big yellow beaked bird struts out on a branch high in the treetops and shrieks a cryptic salute.

The village is sprinkled with restaurants, cafés, pizza parlors and gift shops. It is a fine place for walking. But there is all kinds of transportation to rent: bicycles, motorbikes, saddle horses, horse-drawn carriages, cars.

Many vacationers never leave the village. But Puerto Plata is one of the most distinctive and charming towns in the Caribbean, flecked with remnants of Spanish colonial architecture and filled with Victorian gingerbread. A wide, oceanfront boulevard swings down to the mouth of the harbor and loops around an equestrian statute where the San Felipe Fortress rises on a grassy knoll.

In the center of the town of 70,000 is a little park with a gleaming white double-decker wedding cake of a bandstand. At one side of the park, the twin towers of the Cathedral of San Felipe rise in quiet elegance. Cream- and chocolate-colored decorative columns alternate on an Art Deco facade. The cathedral was built 50 years ago on the ruins of a Spanish colonial church that had been devoured by flames. The carved, hardwood altar inside and heavy wood crucifix survived the fire.

A few blocks from the park, Aldo Costa, an Italian hotelier who made the Dominican Republic his home 19 years ago and now serves as Italy's honorary consul, has turned a sprawling, whitewashed mansion into a museum and gift shop. The subject of the museum is amber, the translucent material that is created over centuries as the buried sap from trees compresses and hardens. Amber, which is sold as a semiprecious stone and worn as jewelry, is found in only a few places in the world. The Dominican Republic is one of them.

The wedge-shaped San Felipe Fortress, with rusting cannons poking through its crenelated battlements, was completed in 1564 on the orders of Philip II of Spain. Its interior is partitioned into three long, tunnel-shaped rooms that now hold display cases with pyramids of cannonballs and ancient pistols, rifles and swords.

A red cable car zips tourists up the face of the highest peak in the area, Isabel de Torres. At the summit, 2,565 feet above Puerto Plata, it's like another world. The tropical steaminess is gone. It is cool, sometimes even chilly. Often the place is wrapped in mist. On a clear day, the view is spectacular.

A restaurant and gift shop on the summit keep unpredictable hours so some visitors pack a picnic basket and have lunch in the botanical garden that surrounds a huge stone statue of Christ with arms outstretched. There are usually young men with guitars strolling around, eager to play for a few coins.

Dining in Puerto Plata can be formal or funky. De Armando and Jimmy's, in the heart of town, are the fancy places. The waiters wear bow ties, and the food is Continental. Midway between downtown and the resort village is a long street named Calle las Hermanas Mirabal, which might also be called the Street of Restaurants. Porto Fino and Valter's are two Italian places that stand out. Another good restaurant is Los Piños, where specialties are roast goat, chicken baked in wine and baby shark in garlic sauce.

At the junction where the street of restaurants runs into the boulevard that swings down to the old Spanish fort, there is a public beach known as Long Beach and a strip of shops, bars and restaurants. A rickety wood-frame place called the Beach Hotel looks out across the black-topped road to the sea. It is painted red and trimmed in white and has seen better days. Someone has painted over the windows so there is no need for curtains. No one answered a knock at the manager's door one afternoon. But in a few minutes two guests turned up.

Noker Storchenegger, a 30-year-old Swiss carpenter, and his girlfriend were midway through a week's stay at the hotel. For a room with a bath, an air-conditioner and a bare light bulb dangling over the bed, they were paying $6.60 a night. Storchenegger said they had spent their first week in the Dominican Republic at Casa de Campo, the country's most luxurious resort a few hours away. They had hoped to stay at one of the first-class hotels in the Playa Dorada tourist village. But they had had no idea how popular the place was, he said, and had been surprised to find there were no rooms available. Determined to stay on the north coast, Storchenegger stumbled onto the Beach Hotel. After a few days, he'd grown fond of the old place. "This is better," he said. "It's more romantic." ■

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Unsettling Albania *Continued from page 9*

wind of change that is sweeping through the rest of Eastern Europe.

I learned about the tour from the Greek representative of Albturist, the official Albanian tourist agency. There were 22 in our group, mostly Greeks, plus two Greek-Australians, one Greek-American and myself. Several members of the group had been to Albania before and were going to see relatives — some 200,000 ethnic Greeks live in southern Albania — but most of us were simply curious about life in Europe's last Stalinist country.

It was sparkling Indian summer, Greece at its best. Our 320-mile journey north to the Albanian border followed the magnificent Bay of Corinth, then went through hilly lake country to Ioannina and the Greek border post of Kakavia. As we crossed the no man's land to the Albanian side of the border, our jovial Greek bus driver, Kostas Mantalas, who had taken more than 40 trips into Albania, briefed us on what to expect. We would have to declare all foreign currency and any valuables like watches, jewelry, cameras.

"But the main thing is no pornography and no heavy religious matter," he warned. Also, no photographs because the border is a military zone. Indeed the border looked like an armed camp, with a barbed-wire fence and small bunkers all over the hills. Albanian officials courteously invited us to take all baggage into the post for inspection, emphasizing that gifts for Albanians must be declared and duty paid.

The modern apartment buildings were drab, charmless concrete blocks, poorly maintained.

We were met at the border by two Albanian guides, who introduced themselves as Spiro and Eleftheria; they spoke Greek but no English.

As we crossed the narrow tip of southern Albania, the road wound through stark mountains. There was no traffic, only occasional pedestrians, some transporting goods by donkey or ox cart. This whole area was devastated in World War II, but now all the villages have water and electricity, Spiro said, pointing to the large Joseph Stalin electric power station.

Our first destination was Saranda, known as the pearl of the Albanian Riviera. From a distance, the town, built like an amphitheater around a bay with palm trees and bougainvillea, looked like a number of Mediterranean resorts. The main difference was that there were no private cars. We met a group of French tourists who had just been swimming and they were delighted with the cleanliness and mild temperature of the water.

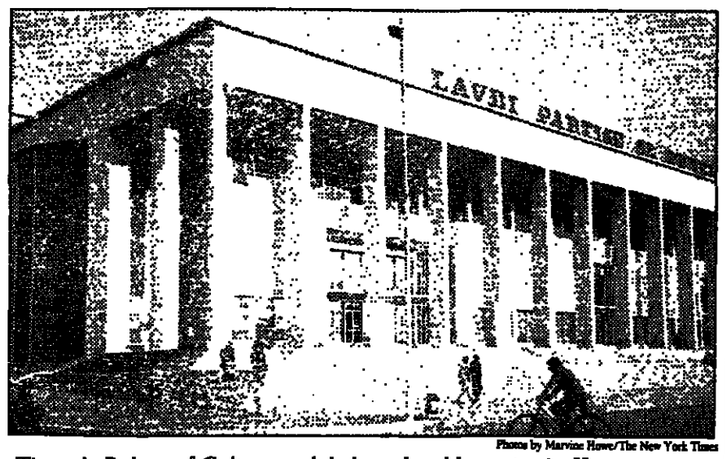
We were taken to the Hotel Butrinti, the best in town. My room was Spartan but clean. There was a shower and hot water, but no shower curtain; the toilet's flush mechanism did not always work, the paper was rough; the bed sagged in odd places and there was neither radio nor television. But I had a balcony view of the bay with a screen door.

When I went out for a stroll along the bay, I saw only groups of men and boys on their ritual evening promenade and in the central café. The lights were dim and the absence of cars gave the town an eerie feeling.

"We get Greek tourists, Italians, French, Germans, but no Russians or Americans," a saleswoman in the main bookstore said, staring in disbelief at the American tourist. There were no foreign-language newspapers or magazines and the only books in English and French were the memoirs of Enver Hoxha.

In the hotel lobby several Albanians were talking to relatives visiting from abroad, but Albanians were not allowed to stay in the tourist hotels or even eat with the tourists in the hotels.

Dinner was a group affair, as were all our meals, overseen by the two Albanian guides. There was no choice of menu but the food was tasty and copious and resembled Greek cuisine. That first night we had chicken broth, meat patties and vegetables and creamy pudding for dessert. Drinks were extra but inexpensive. The bill for a bottle of hearty local red merlot and a bottle of mineral water came to 15 leks, just over $2. For evening entertainment there was the hotel's nightclub, where an energetic orchestra regaled the tour groups with traditional Albanian and Greek music.



Photos by Marvine Howe/The New York Times

Tirana's Palace of Culture and, below, the old quarter in Korce.

The next day, after a breakfast of omelet, bread, fresh honey and very feeble coffee we took a brief tour of Saranda. The grocery shops appeared well stocked with locally grown cabbages, leeks, peppers, tomatoes, oranges, tangerines and apples, but there were no imported goods. Bakeries had plenty of the standard long loaves. In the dairy shop, milk was available but a popular white cheese made from ewe milk that looked like feta was in short supply. There were no butchers, and I learned from local residents that meat was rationed, generally just over two pounds (a kilogram) a family every two weeks or so. The cattle and sheep we saw along the way were mainly for export, according to a local resident.

Leaving Saranda, we took the inland route along the western lowlands — "only swamps and marshland before the 1944 liberation," Spiro said. Now, in the Drin River valley, there were large wheat, rice and bean fields and grazing sheep. I saw little farm machinery, only women working in the fields, wielding spades and hoes. Towering over the valley like some fairy-tale kingdom is Gjirokastra, which means silver castle. Birthplace of Enver Hoxha and Albania's best-known contemporary author, Ismail Kadare, Gjirokastra has been declared a national monument. Hoxha's home, a handsome stone mansion, is now the Museum of the Struggle for National Liberation.

From the mountaintop citadel, the medieval city with its narrow cobblestone streets and stone houses with slate roofs, actually looks like silver. The fortress is now the National Museum of Armaments, containing displays of ancient silver and gold guns and daggers, arms recovered from the Germans and Italians in World War II and a U.S. Air Force "spy plane" of the 1950s. When it grew dark the traffic became extremely dangerous. There were only a few trucks and bicycles, all without lights or reflectors, but many pedestrians, sheep, cattle, donkeys and chickens. Even our driver seemed a little unnerved as he narrowly missed a flock of turkeys.

At the end of a very long day, we reached Tirana, the capital, a city of 250,000 inhabitants and brilliantly lighted broad avenues. It was rush hour when we arrived and one lane was crowded with pedestrians, the other with buses and trucks.

We stayed at the Hotel Tirana, the city's only skyscraper, which looks out on the vast Skanderbeg Square, which has a giant statue of Hoxha at its center. The hotel, which is flanked by the Museum of National History and the Palace of Culture, was crowded with foreign visitors, mainly Germans.

In the morning I went out to look at the city. The modern apartment buildings were drab, charmless concrete blocks, poorly maintained. Dressed in brightly colored sweaters and conservative skirts or pants, the people appeared generally relaxed. In encounters with foreigners, they were shy but friendly. The monumental area near the hotel was impressive: the lovely 19th-century Etehem Bej mosque, now a museum; the 1830 Watch Tower; the equestrian statue of Skanderbeg, a 15th-century national hero; statues of Stalin, Lenin and Hoxha and the Hoxha Museum. We toured the Museum of National History, a handsome modern building with exhibits showing the life of the ancient Illyrians up to the achievements of the Communist dictatorship of the proletariat. But we couldn't begin to visit the city's some 170 other museums.

Our last stop, Korce, is an attractive city of about 60,000 people.

During the trip, several Greeks complained that they were not shown any of the magnificent Orthodox churches, which have been closed or turned into museums. On the last day, the group was taken to the Museum of Medieval Albanian Art, which has beautiful 12th-century icons, splendid vestments, ornate pieces of church silver and fine 17th-century wood paintings.

At the border, a government Mercedes was waiting to take the two Albanian guides back to Tirana. Albanian border officials took a cursory look at our baggage but checked the bus carefully, counting heads several times. Their main concern seemed to be that no Albanians were hitching a ride out with us. ■

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Monastic Libraries *Continued from page 9*

tery libraries. Starting at Ulm, I headed south, following part of the Swabian Baroque Route. Marked by light blue road signs with an angel's-head symbol, the route has one main and three alternative branches, which take you past dozens of castles and churches of the period, including the pilgrimage church of Steinhausen; the castles of Wolfegg and Kisslegg, and Rot an der Rot, a perfectly preserved Baroque town.

Off the autobahn at Memmingen, some 30 miles from Ulm, a narrow country road winds through a picture-book landscape, leading to the early 18th century complex. Established in 764 by a local nobleman, Ottobeuren grew from a small cell of devout men into a center of humanism and book publishing. It was among the first monasteries to own a printing press, and the fame of its book illuminations spread far. One of the monastery's masterpieces — a leather-bound Bible printed in 1693 for the bishop of Bamberg — can be seen in today's library.

The Ottobeuren library is a splendid, atriumlike space, with rows of double marble columns topped by gilt Corinthian capitals supporting an open gallery above. Soaring over all is a painted ceiling by Elias Zobel, accented with elaborate stucco and sculpture work. Responsible for the rich decor was Johann Baptist Zimmermann, a painter and stuccateur. He and his brother Dominikus, builder of churches, are among the artists whose names come up wherever German Baroque architecture bloomed.

As Ottobeuren was a center of book illumination, Ochsenhausen — 15 miles to the northwest — was the locus of important research in astronomy. The present monastery buildings date to the 16th through 18th centuries and include a planetarium. The library, now used as a recital hall for the music academy housed here, is one of the era's last flowerings in southern Germany. Strong Neo-Classical trends are evident in the spare style of the statues of Art and Science, as well as in the symmetry of the ceiling by Joseph Anton Huber.

The former monastery today serves as a state psychiatric hospital, but the library, designed by Domenikus Zimmermann, is accessible to visitors. Positioned throughout the lower floor and along the elaborately carved white balustrade of the balcony are a number of white marble statues of putti and apostles. The immense ceiling painting by Franz Georg Hermann (with his son Franz Josef) covers every inch of the vast cupola with biblical scenes and allegories.

Back toward Ulm, a few miles south of the Danube, lies Wiblingen, a former Benedictine monastery (established in 1093) that is now part of the Ulm university system. The 18th-century library, as well as the abbey church, is open to visitors.

The richly decorated Wiblingen library is an amazing testimonial to iconography. The nine muses on Parnassus share ceiling space with Alexander the Great in discourse with Diogenes, Pegasus, Apollo. Here all knowledge, legend and allegory seems to have been captured in paint, marble, gilt or plaster.

After Wiblingen I turned northeast. My first stop was in the town of Neuburg an der Donau. Two medieval gates give access to Neuburg's walled upper town, a perfectly preserved Baroque urban settlement dominated by a castle. Neuburg's library was never part of monastic life; it was built in 1731 for a group of devout citizens, the Brotherhood of Mater Dolorosa Under the Cross. Today it is a public lending library.

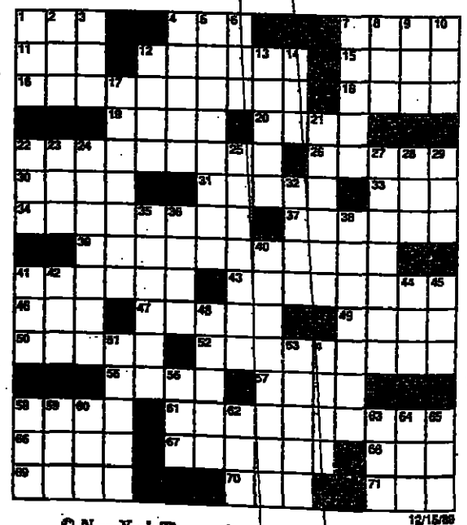
Nothing I had previously seen prepared me for the opulence, the theatricality of the library at Waldsassen, a former Cistercian convent, which has attracted visitors since it was built in 1725.

One enters the room, lined with thousands of volumes bound in white pigskin and dark calf, through a formal portal and is immediately under the spell of a soft light reflected on 10 unique life-size atlantes that support the upper balcony. Carved in linden-wood, they have taken on a warm, rich, golden patina. Alluding to characters from commedia dell'arte, such as the Fool and the Commandante, the sculptures — again in typical Baroque allegoric fashion — represent human foibles: haughtiness, lack of will, boastfulness.

The last stop was the monastery at Metten, a Benedictine institution established in 766. The abbey church and the library date to the early 18th century. Metten was in some respects luckier than other monasteries after secularization. When it was closed in 1803, the books were removed and dispersed and the library was used to store grain, but in 1830 the monks returned. Because so many monastic libraries had been emptied at once, the monks found a glut of old manuscripts and early printed books on the market, and were able to retrieve a large portion of their library at reasonable prices.

Today the library has 160,000 books. In a glass-topped vitrine is one of the monastery's most precious possessions: a volume of Gregorian chants hand-written and illuminated in 1434 on parchment of sheepskin.

Margot Granitsas, a New York-based writer, contributed this to The New York Times.



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ACROSS

1 Kernel's spot
4 Cardigan size: Abbr.
7 Bridle attachment
11 Actor Vigoda
12 Like the worst of pittances
15 Soprano Moffo
16 Reptiles
18 "—— Help Singing," 1944 song
19 Route: Abbr.
20 "Ma, He's Making Eyes ——." 1921 song
22 U.S.N. rank under captain
26 Roll-shaped cloud
30 Queen killed by an asp
31 Belgian Surrealist: 1860-1949
33 D.D.E.'s predecessor
34 Most astute
37 Fill again, as a peashooter
39 Boa ——
41 Puckered fabric
43 "There —— in the bush": Yarrington
46 Chit
47 Bone: Comb. form
49 Brief look
50 Helmet's nosepiece
52 Star clusters
55 F.D.R.'s New ——
57 Nigerian bigwigs
58 Pay attention
61 Sympathizer with the C.S.A.
66 Like a groundless rumor
67 Belong
68 NOW objective
69 Duct droplet
70 Adherent
71 Part of A.R.C.

DOWN

1 Machine part
2 Japanese sash
3 Actress Barbara —— Geddes
4 Pravda founder
5 Most magnificent
6 Comic-strip character
7 Fast-moving reptile
8 Alfonso's queen
9 Hostel
10 —— Turner, Styron hero
12 River in Russia
13 —— Tower, Chicago
14 Sound seeking silence
17 Oriental robes
21 French director of finances: 1703-8
22 Ovid's 300
23 Biographer Winslow
24 Chinese expounder of Confucianism
25 Diary jottings
27 Hymn tunes
28 Dos Passos trilogy
29 Norm: Abbr.
32 Killer whale
35 Bootmaker's concern
36 Readings on compasses
38 Somewhat like an anaconda
40 Protium and tritium, e.g.
41 It's often rolling in dough
42 Mauna ——
44 Kipling classic
45 Bad ——, German spa
48 Hawk's claw
51 Puff —— (viper)
53 First German president
54 Uncommon
56 Hero of a Handel serenata
58 Broadway success
59 Dutch
60 Guido's high note
62 Key letter
9 Poet's "always"
6 Exist
6 Pop

12/15/89

Solution to Previous Puzzle

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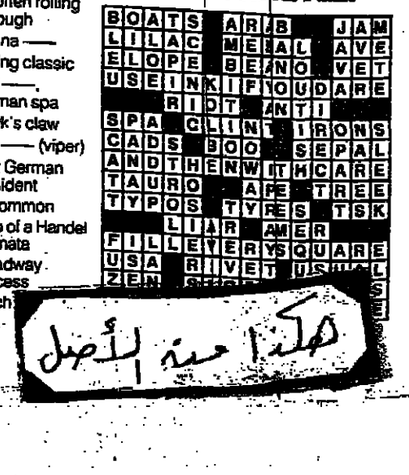

In Korea, A Boom in Pottery

by Gwin Chin

SOUTH Korea's centuries-old kilns, out of operation for more than 50 years, are going full blast again. Shut down during the Japanese occupation (1910-1945) and throughout the Korean War, the pottery centers reopened one by one after the war ended in 1953, as the country undertook rebuilding and reclaiming its 5,000-year-old culture.

Korea has long been famous for its boldly shaped white porcelains, its grayish *punch'ong* stonewares (a folk form popular for daily use) and elegant celadons in kingfisher blue — a rare shade of blue-green universally considered the most desirable color for a celadon glaze. Now, spurred by the tourist influx of the 1988 Olympics, the kilns have grown into a popular attraction and a lucrative business.

Among the most prosperous pottery centers, many of which date back 3,000 years, is Ichon. Nestled in a valley amid green mountains and tiered rice fields, it is an hour's drive from Seoul. A one-day visit affords an opportunity to tour several establishments, each specializing in a different, distinctive type of ceramics.

Possessed of the three vital elements essential for establishing a successful kiln — rich soil and rock for good clay and glaze, pure water and easy transportation to retail outlets — Ichon has attracted potters for centuries; today there are 58 active kilns in the area.

At the 24 commercial kilns, artisans and craftsmen produce faithful copies of Koryo dynasty (918-1392) celadons and Choson period (1392-1910) white porcelains and *punch'ong* stonewares. Some specialize in reddish-brown jars used for pickling *kimchi*, a spicy dish of fermented cabbage.

To visit Ichon from Seoul by car, cross the Han River and head south on the Chungbu Expressway, which cuts through mountainous South Korea to the metropolis of Pusan, on the southeast coast.

There are plenty of gas stations and restaurants on the way, and road signs carry English translations.

About five miles from the exit, turn in at the white sign for Chi Soon Taik Ceramic Art Village. Beyond the gate is a showroom with displays of traditional celadon and porcelain. Prices are clearly marked in dollars, and all international credit cards are accepted.

A young woman guides visitors through the grounds, starting at the hillside with high stacks of chopped wood and two rows of domed kilns made of brick and clay. The wood, mostly pine, has been sitting for up to 10 years, waiting for the sap to drain completely and the grain to settle after the bark was peeled off.

The condition of the firewood is considered instrumental in producing the perfect glaze texture. The wood ash is also a vital ingredient in the final glaze; according to the proprietor and master potter, Chi Soon Taik, the mysterious source of the ancient kingfisher-blue celadon glaze is a secret combination of wood ash and clay.

The firing is done about once a month here, and the whole process takes about a week for celadons and a few days longer for white porcelains. Because of the high temperature required for Korean pottery, only 20 percent of each firing is saved.

The next stop is the studio where fired pieces are brought after cooling. Craftsmen and their apprentices work here under the supervision of Mr. Chi, applying underglaze designs and the second, final glaze before the pieces are returned to the kiln.

A celadon in a popular style, above, and inlay being applied by hand on a pot of modern design, below.

A monk inspecting his temple's kimchi jars. Utilitarian in design, they are used to hold the popular spicy pickled cabbage.

Visitors must remove their shoes before entering the studio (slippers are provided), and because some artists are sensitive about being distracted by flashbulbs, a visitor should always ask permission before taking a photograph.

At one end of the room, young men condition the clay by beating it with a mallet; at the other, craftsmen work at kickwheels, shaping the clay into simple, bold pots. In the center of the room at long tables, men and women use small, sharp tools to incise the pottery surface for inlaid designs of dragons, birds, flowers and trees.

APPRENTICES insert red and white clays into incised grooves, then brush on another coat of the glaze before the final firing.

At another table, a woman works with bowls and vases of *punch'ong* ceramic, delicately painting a sweeping form of a dragon that wraps around the bottle. The biggest customer for this pottery is Japan, which has used it in tea ceremonies for centuries.

Koreans consider the white porcelain, which can be shaped into bold, round forms with plain curves, the most elegant and have developed more than 150 shades of white. Some white pieces are designed with a large, free-form figure of a crane or a dragon, using cobalt blue or copper red. During the final firing process, the red underglaze dragon turns iridescent blue and the cobalt blue, a deep, dark color.

A guided tour ends back at the showroom, where the pottery is sold. Every piece is one of a kind, because each is individually crafted. Prices are marked in dollars and begin at around $10 for blue-green celadon pendants with white designs and $25 for a *punch'ong* stoneware rice bowl with an underglaze dragon design.

A foot-tall slim blue celadon vase with white cloud designs and a round base is $100. A two-foot-high jar of off-white porcelain with a narrow mouth and swelling body is $450. ■

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Travel Books: Brightest Of '89 and Some Reissues

by David Streitfeld

WASHINGTON — "Tourists are, in the main, a very gloomy-looking tribe. I have seen much brighter faces at a funeral than in the Piazza of St. Mark's."

So wrote Aldous Huxley. Now is that a grump, or what? Still, there's a kind of a point here: A good travel book can offer some of the pleasures of a voyage with none of the mess of disappearing luggage or canceled hotel reservations. Instead of pretending you're home, you're happily pretending you're somewhere else.

Whether you're after research or entertainment, the following are some recent titles worth considering:

● "Along the Road: Notes and Essays of a Tourist," by Aldous Huxley (Ecco, paperback, $8.95). This is an outline of Huxley's prejudices, an appealing if cranky assemblage. The Huxley is the most recent in the Ecco Travels series of paperbacks. Others include Freya Stark's "The Journey's Echo," a 1963 collection of extracts from her work, and Edith Wharton's 1905 "Italian Backgrounds."

● "What the Traveller Saw," by Eric Newby (Viking, $30). Newby is celebrated as one of the leading exponents of the British school of travel writing (the hardships of the voyage stoically faced, with a keen eye for the eccentricities of both the natives and your own countrymen). It's his skill as a photographer, however, that receives star billing in this large-format volume.

● "Following the Milky Way: A Pilgrimage Across Spain," by Ellen G. Feinberg (Iowa State University Press, $24.95). This is an anthropologist's account of the 500-mile journey she made on the Camino de Santiago, the famous medieval pilgrim route, in 1982. It might suffer a little by comparison with Walter Starkie's classic "The Road to Santiago," but it's still rewarding.

● "English Travellers Abroad, 1604-1667," by John Stoye (Yale University Press, paperback, $19.95). This scholarly yet generally absorbing study, newly revised from its initial appearance in 1952, is rather narrower and more unusual in focus than the title might indicate.

● "Muddling Through in Madagascar," by Dervla Murphy (Overlook, $18.95). This is the fourth in Overlook's uniform U.S. publication of Murphy's high-spirited adventures in distant lands.

● "Tales of Travel," by the Marquess Curzon of Kedleston (Century Travellers-David & Charles, paperback, $13.95). This pleasant collection of anecdotes and reminiscences was first published in 1923. Lord Curzon was viceroy in India and subsequently Britain's foreign secretary.

● "John Kent's Florence and Siena" (Viking, $18.95). A follow-up to Kent's similar treatment of Venice, is an illustrated guide, by J.R. Humphreys (St. Martin's Press, $22.95). About the American Eastern Seaboard.

● "Three Rivers of France," by Freda White (Arcade-Little, Brown, $29.95). The three waterways in question are the "romantic" Dordogne, the "magical" Lot and the "breathtaking" Tarn of southwest France.

● "Spirit of Place: Provence" and "Spirit of Place: Tuscany" (Arcade-Little, Brown; $10.95 each). Attractive little gift books comprised of two dozen paintings or photographs matched with an appropriate literary quotation.

● "America's Rome," by William Vance (Yale University Press, two volumes, $30 each). Vance's topic is the past 200 years of American artistic experience in Rome, and the representations of that adventure in ink, paint, marble and bronze. It's scholarly but never dull, with reams of fascinating details.

● "The Sea and the Jungle," by H.M. Tomlinson (The Marlboro Press, paperback, $12.50). Tomlinson decided suddenly one day in 1909 to abandon his job at the London Morning Leader and ship out to the Amazon. The result was a classic, one it is good to see again in a new edition. Others in The Marlboro Press series of reissues include John M. Synge's "The Aran Islands" and William Dean Howells' little-known but first-class "Italian Journeys." ■

A good travel book: Instead of pretending you're home, you're happily pretending you're somewhere else.

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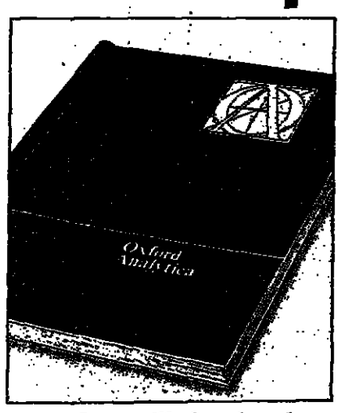
From Fortress Europe and Giant Japan to the US and Super 301.



(Trade and Protectionism: A Special Business Report)

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YOU COME FIRST

MARKET DIARY

Via Associated Press Dec. 14

London Commodities

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
SUGAR U.S. Dollars per metric ton						
Mar	302.60	302.80	308.80	302.20	371.00	372.00
May	302.80	303.00	309.00	302.80	377.00	378.50
Aug	299.60	299.80	305.70	299.40	386.50	386.50
Oct	292.60	292.80	298.40	292.40	358.00	360.00
Dec	290.00	290.00	285.00	285.00	347.50	350.00
Mar	277.80	278.00	280.00	277.40	347.50	350.00
May	272.60	277.00	N.T.	N.T.	347.50	350.50
Volume: 2,852 lots of 50 tons.						
COCOA Sterling per metric ton						
Dec	638	640	670	640	675	680
Mar	625	626	646	625	652	653
May	635	636	655	635	662	664
Jul	650	651	665	650	675	679
Sep	665	666	639	665	693	694
Dec	690	691	705	690	710	715
Mar	708	710	723	708	728	735
Volume: 10,959 lots of 10 tons.						
COFFEE Sterling per metric ton						
Jan	661	662	667	661	662	663
Mar	662	663	665	660	661	662
May	673	675	677	672	677	678
Jul	688	691	696	691	692	694
Sep	709	712	715	711	711	712
Nov	728	731	738	736	725	727
Jan	748	751	755	752	740	747
Volume: 1,734 lots of 5 tons.						
GASOIL U.S. dollars per metric ton						
Jan	200.75	201.00	208.00	200.50	209.00	209.25
Feb	186.50	187.00	194.25	187.75	195.00	195.25
Mar	176.00	176.75	181.00	177.00	181.00	181.50
Apr	160.00	160.00	169.00	167.50	169.25	169.50
May	N.Q.	N.Q.	164.00	162.50	164.75	165.00
Jun	157.00	157.50	158.50	158.00	159.00	159.50
Jul	157.00	157.50	157.50	157.00	157.00	159.75
Aug	160.00	162.00	N.T.	N.T.	166.00	164.50
Sep	164.00	166.50	N.T.	N.T.	162.00	168.50
Volume: 8,430 lots of 100 tons.						

Sources: Reuters and London Petroleum Exchange.

Paris Commodities

	High	Low	Close Bid	Close Ask	Ch'ge
SUGAR French francs per metric ton					
Mar	2,222	2,200	2,205	2,220	+ 3
May	2,265	2,250	2,255	2,265	— 5
Aug	2,315	N.T.	2,305	2,335	— 20
Oct	2,175	2,150	2,165	2,175	— 5
Dec	N.T.	N.T.	2,110	2,140	Unch.
Mar	N.T.	N.T.	2,115	2,145	Unch.
Est. vol: 700 lots of 50 tons. Prev. actual sales: 1,605. Open interest: 13,210.					
COCOA French francs per 100 kg					
Dec	N.T.	N.T.	—	645	Unch.
Mar	N.T.	N.T.	—	660	Unch.
May	N.T.	N.T.	—	665	Unch.
Jly	N.T.	N.T.	—	675	Unch.
Sep	N.T.	N.T.	—	695	Unch.
Dec	N.T.	N.T.	—	720	Unch.
Mar	N.T.	N.T.	—	730	Unch.
Est. vol: 0 lots of 10 tons. Prev. actual sales: 0. Open interest: 0.					
COFFEE French francs per 100 kg					
Jan	N.T.	N.T.	—	620	+ 10
Mar	595	N.T.	593	610	— 5
May	N.T.	N.T.	605	625	— 5
Jly	N.T.	N.T.	620	540	Unch.
Sep	650	N.T.	—	665	+ 10
Nov	N.T.	N.T.	—	690	+ 10
Jan	N.T.	N.T.	—	695	+ 10
Est. vol: 3 lots of 5 tons. Prev. actual sales: 12. Open interest: 170.					

Source: Bourse de Commerce.

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Sterling per metric ton				
Spot	1627.00	1630.00	1641.00	1645.00
Forward	1626.00	1627.00	1638.00	1640.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1510.00	1512.00	1525.00	1527.00
Forward	1519.00	1520.00	1529.00	1530.00
LEAD Sterling per metric ton				
Spot	457.00	458.00	450.50	452.00
Forward	433.00	434.00	435.00	437.00
NICKEL Dollars per metric ton				
Spot	9100.00	9200.00	9200.00	9300.00
Forward	8225.00	8250.00	8200.00	8300.00
TIN Dollars per metric ton				
Spot	7070.00	7110.00	7130.00	7150.00
Forward	7190.00	7200.00	7230.00	7240.00
ZINC (High Grade) Dollars per metric ton				
Spot	1540.00	1560.00	1525.00	1535.00
Forward	1370.00	1380.00	1385.00	1390.00

Currency Options

Dec. 14

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jul	Aug	Sep	Puts—Last Jul	Aug	Sep
50,000 Australian Dollars-cents per unit.							
ADollr	73	r	r	r	r	r	0.42
78.54	76	2.50	r	r	r	0.20	1.27
78.54	77	r	1.53	1.89	r	0.45	1.67
78.54	78	0.65	0.82	r	0.09	r	r
78.54	79	0.08	0.42	r	r	r	
500,000 Australian Dollars-European Style.							
78.54	78	0.65	r	r	r	r	r
78.54	79	r	0.36	r	r	r	
31,250 British Pounds-cents per unit.							
Pound	157½	2.40	3.05	r	0.10	1.25	3.65
159.96	160	0.55	r	r	0.68	r	r
159.96	170	r	r	r	10½	r	
31,250 British Pounds-European Style.							
159.96	162½	0.07	r	r	r	r	r
159.96	185	0.07	s	r	r	s	
50,000 Canadian Dollars-cents per unit.							
CDollr	83	r	r	r	r	r	0.13
86.08	84½	r	r	r	r	0.07	0.45
86.08	85	0.97	r	r	0.01	0.09	0.65
86.08	85½	r	r	0.70	0.03	0.25	0.93
86.08	86	r	r	r	0.12	0.54	1.20
86.08	86½	r	r	0.39	r	r	
62,500 West German Marks-cents per unit.							
DMark	51	6.70	r	r	r	r	r
57.67	52	5.67	r	r	r	r	r
57.67	53	r	5.04	4.75	r	r	r
57.67	54	3.70	3.66	r	r	r	0.29
57.67	55	r	2.80	3.12	r	0.11	0.44
57.67	55½	r	r	s	r	0.17	s
57.67	56	1.66	1.91	2.27	0.04	0.27	0.74
57.67	56½	1.20	r	s	r	r	s
57.67	57	0.82	1.14	r	0.12	0.54	1.11
57.67	57½	0.40	0.88	s	0.26	0.73	s
57.67	58	0.16	0.62	1.30	0.59	0.95	1.60
57.67	58½	0.13	r	s	r	r	s
57.67	59	0.05	0.33	0.97	r	r	2.24
57.67	60	r	0.17	0.57	r	r	r
57.67	61	r	s	0.40	r	s	r
57.67	62	r	s	0.27	r	s	
250,000 French Francs-10ths of a cent per unit.							
FFranc	15	15.45	r	r	r	r	r
168½	17½	r	r	r	r	3.88	
6.25 mil Yen-100ths of a cent per unit.							
JYen	65	r	r	r	r	0.02	r
69.41	67	r	r	r	r	0.07	0.34
69.41	68	r	r	r	r	0.14	r
69.41	68½	r	r	s	0.04	r	s
69.41	69	0.48	r	r	0.06	0.40	r
69.41	69½	0.17	0.53	s	r	0.61	s
69.41	70	0.07	0.38	1.06	r	r	1.40
69.41	71	0.02	0.17	0.79	1.50	r	r
69.41	72	0.01	0.07	r	r	r	r
69.41	74	r	0.03	0.19	r	r	r
62,500 Swiss Francs-cents per unit.							
SFranc	56	r	r	r	r	0.01	0.12
63.94	59	r	r	5.24	r	r	0.19
63.94	60	r	r	r	r	r	0.31
63.94	61	r	r	r	r	0.10	r
63.94	62	r	r	r	r	0.25	r
63.94	63	1.08	r	r	0.10	0.49	1.11
63.94	63½	r	r	s	0.15	r	s
63.94	64	0.36	0.90	1.51	0.34	0.84	1.61
63.94	64½	0.28	r	s	r	r	s
63.94	65	0.39	0.54	r	r	r	r
63.94	66	r	0.27	0.78	r	r	r
63.94	67	r	0.12	0.58	r	r	r
62,500 Ecus-cents per unit.							
ECU	120	r	s	r	r	s	5.14

Total call vol. 20,376 Call open int. 457,988
Total put vol. 17,993 Put open int. 476,889
r—Not traded. s—No option offered.
Last is premium (purchase price).

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.73	0.72
Coffee, lb	0.71	0.72
Copper electrolytic, lb	1.155	1.152
Iron FOB, ton	213.00	213.00
Lead, lb	0.38	0.38
Printcloth, yd	n.a.	n.a.
Silver, troy oz	5.55	5.745
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	94.00	98.00
Tin, lb	4.2392	4.045
Zinc, lb	0.73	0.73

DM Futures Options

Strike Price	Calls-Settle Jan	Feb	Mar	Puts-Settle Jan	Feb	Mar
125,000 marks, cents per mark						
56	1.87	2.15	2.35	0.17	0.47	—
57	1.10	1.50	1.72	0.39	0.79	—
58	0.57	0.97	1.21	0.86	1.26	—
59	0.25	0.62	0.84	1.53	—	—
60	0.10	0.37	0.56	—	—	—
61	0.05	0.22	0.34	—	—	—

Est total volume: 9,161
Calls: Wed. volume 9,271; open int. 51,309
Puts: Wed. volume 11,455; open int. 53,221
Source: CME.

NYSE Diary

	Close	Prev.
Advanced	529	791
Declined	996	734
Unchanged	494	476
Total Issues	2019	2021
New Highs	69	130
New Lows	68	55

AMEX Diary

	Close	Prev.
Advanced	199	286
Declined	375	313
Unchanged	294	297
Total Issues	868	896
New Highs	17	28
New Lows	32	24

NASDAQ Diary

	Close	Prev.
Advanced	653	1,085
Declined	1,324	947
Unchanged	n.a.	2,318
Total Issues	n.a.	4,350

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
Dec. 13	495,087	572,892	5,781
Dec. 12	413,537	516,732	2,488
Dec. 11	391,423	484,987	2,271
Dec. 8	281,002	493,687	3,022
Dec. 7	304,870	536,525	3,027

*Included in the sales figures

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
A L Laboratories	Q	.04	1-16	12-29
Central Maine Pwr	Q	.39	1-31	1-10
Hlth Insr/Vermnt	A	.18	1-15	12-15
J P Morgan & Co	Q	.45½	1-12	12-26
Lawson products Inc	Q	.09	1-18	1-4
Maury Fedl Svgs Bk	Q	.10	1-12	12-31
New Plan Rlty Trust	Q	.26	1-10	1-2
Raymond James Fncl	Q	.06	1-29	1-8
Southwest Water	Q	.22¼	1-20	12-31
TCA Cable TV Inc	Q	.06	1-23	1-9
Valspar	Q	.13	1-12	12-29
OMITTED				
Dixon Ticonderoga Co				
Natl Heritage Inc				
REVERSE STOCK SPLIT				
Compuflight Inc — 1-for-40				
SPECIAL				
Fst Australia PIIC	-	.095	1-15	12-29
RAC Incm Fund Inc	-	.04	1-31	1-17
USUAL				
Am Barrick Resrcs	-	.075	12-15	12-13
Ames Dept Stores	Q	.02½	3-15	2-22
Caterpillar Inc	Q	.30	2-20	1-22
Co-Op Bank Concord	Q	.15	1-15	12-28
Engelhard Corp	Q	.14	12-29	12-22
Ennis Bus Form	Q	.16	2-1	1-15
Fidelity Natl Fncl	Q	.10	2-6	1-23
General Re Corp	Q	.34	12-29	12-22
Granite State Bksh	Q	.09	1-15	1-2
Hako Minuteman	Q	.05	2-9	1-19
Keystone Intl Inc	Q	.14	2-22	2-5
Manor Care Inc	Q	.033	2-27	2-15
Michigan Natl Corp	Q	.50	1-12	1-2
Mutual Svgs Lf Ins	Q	.25	12-29	12-26
Mylon Labs	S	.05	1-15	12-30
Natl Svg Bk Albany	Q	.15	1-6	1-2
Nicor Inc	Q	.50	2-1	1-9
Riggs Natl Corp	Q	.31¼	1-15	12-29
Robbins & Myers	Q	.05	1-31	1-12
Selectern Inc	Q	.07½	1-1	12-17
SPX Corp	Q	.25	3-9	2-23
Stewart&Stevenson Svcs	Q	.04	2-15	1-31
Super Food Svcs	Q	.08	3-15	2-19
Super Valu Stores	Q	.15	3-15	3-1
TRW Inc	Q	.43	3-15	2-9
United Dominion RT	Q	.31	1-31	1-12
VWR Corp	Q	.20	3-2	2-9
Washington Energy	Q	.33	3-12	2-16

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2751.28	2790.53	2732.08	2773.46	+ 12.37
Trans	1200.57	1204.66	1177.41	1185.63	— 17.78
Util	233.40	235.35	232.58	234.66	+ 1.20
Comp	1039.23	1049.82	1029.36	1041.01	— 1.03

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	403.07	399.51	400.56	— 2.51
Transp.	281.84	278.27	279.22	— 2.62
Utilities	154.47	153.65	154.37	+ 0.45
Finance	31.57	31.28	31.37	— 0.20
SP 500	352.75	350.08	350.93	— 1.82
SP 100	331.24	328.41	329.35	— 1.89

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	194.50	193.78	193.97	— 1.04
Industrials	232.13	231.13	231.39	— 1.47
Transp.	179.49	178.71	178.71	— 1.45
Utilities	101.08	100.90	101.06	+ 0.05
Finance	157.08	156.37	156.37	— 1.08

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	447.48	— 3.66	456.31	455.28
Industrials	436.51	— 3.92	445.97	443.12
Finance	505.01	— 4.51	516.34	528.60
Insurance	557.78	— 1.72	559.05	544.50
Utilities	721.98	— 5.13	738.87	723.29
Banks	397.01	— 3.96	408.65	425.50
Transp.	492.46	— 1.64	485.06	482.41

AMEX Stock Index

High	Low	Close	Ch'ge
378.06	376.14	376.22	— 1.23

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	93.45	Unch.
Utilities	94.85	— 0.03
Industrials	92.06	+ 0.03

Market Sales

NYSE 4 p.m. volume	178,700,000
NYSE prev. cons. close	220,860,900
Amex 4 p.m. volume	14,640,000
Amex prev. cons. close	15,470,000
NASDAQ 4 p.m. volume	144,262,700
NASDAQ prev. 4 p.m. volume	159,282,500
NYSE volume up	48,467,900
NYSE volume down	109,078,000
Amex volume up	6,743,200
Amex volume down	5,197,800
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Polygr n	51476	16⅞	16¼	16⅞	
Varity	36208	2⅝	2⅜	2½	— ⅛
MesaLP	20169	8⅜	7½	7⅝	— 1¼
Unisys	18172	15	14¼	14⅞	+ ½
AT&T	18125	46⅝	46	46¼	— ⅜
Berlitz n	16560	16⅞	15⅞	16⅝	
Exxon	16223	50⅛	49¾	49¾	— 1⅛
GMotr s	15985	44⅜	43⅛	43½	— 1⅛
FdNM s	15846	35½	34	34½	— 1
PhilMr s	15217	42⅞	42⅛	42½	— ½
GenEl	14474	64⅞	64⅛	64⅝	+ ½
IBM	13865	95½	95	95⅛	— ¾
ChmBnk	13173	31⅜	31¼	31½	
BnkAm	12917	27⅛	26	26⅜	— ½
DunBrd	12852	43¼	42⅜	43⅛	+ ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
TexAir	5335	13⅝	12⅞	13⅝	+ ¾
BHC wt	3525	53⅛	51¾	52⅛	— 1½
Amdhl	2842	13⅞	13½	13⅝	— ¼
ENSCO	2711	4¼	4⅛	4¼	— ⅛
EchoBy	2507	19½	19¼	19¼	— ¼
Wthfrd	2316	4¾	4½	4⅝	— ⅛
WangB	2277	5	4⅞	5	
FruitL	2237	13¾	13⅜	13⅝	—
Maxam	1953	51	48¼	50½	+ 1½
PegGld	1671	15	14½	15	+ ¼
Sothby s	1654	23⅛	22¼	23	— ⅛
A-att2 sc	1496	19⅞	19⅝	19⅞	— ⅛
TubMex	1466	5⅞	5⅜	5⅞	— ⅛
HomeSh	1452	7⅝	7¼	7⅝	+ ⅜
WDigitl	1398	8⅛	7¾	8	+ ⅛

Dow Closes Lower After Profit-Taking

United Press International

NEW YORK — Stocks closed lower Thursday in active trading on the New York Stock Exchange, as investors took profits before Friday's U.S. economic reports and "triple-witching hour" expirations.

The troubles at Campeau Corp., which said late Wednesday it may have to seek bankruptcy protection for its retailing units, added to the market's jitters, analysts said.

The Dow Jones industrial average, which rose 8.96 points Wednesday, lost 7.46 to close at 2,753.63.

The transportation average tumbled 17.78 to 1,185.63, dragged down by a sharp drop in UAL Corp. as prospects for a buyout of the parent of United Airlines seemed to fade.

Among broader market gauges, the New York Stock Exchange composite index dropped 1.04 to 193.97 and Standard & Poor's 500-stock index dropped 1.82 to 350.93. The price of an average NYSE share fell 20 cents.

Declines pounded advances by about a 2-1 margin. Big Board volume totaled about 178.7 million shares, compared with about 184.6 million traded Wednesday.

"This is really just ordinary and normal profit-taking before the economic data and expirations Friday," said Eugene Peroni, chief technical analyst at Janney Montgomery Scott Inc. in Philadelphia.

N.Y. Stocks

The government is scheduled to report Friday on November producer prices and industrial production as well as October merchandise trade figures. Analysts said investors were concerned that the data might not strengthen the case for the Federal Reserve to ease credit.

Friday will also feature the quarterly expiration of stock index futures and options, as well as options on individual stocks. Mr. Peroni said many investors, nervous about the increased volume and volatility that day usually brings, typically take profits.

As for Campeau's financial problems, Mr. Peroni said he felt the market "had already absorbed that concern when it became obvious over the last few months that they were in trouble."

"If that had come as a surprise to the market we'd be down a lot more," he said. "But it comes at a time when the market's internal momentum is building and so its effect has been blunted."

Even so, "It took some of the wind out of the sails of the takeover-related stocks," such as UAL, Hilton Hotels and Holiday Corp., said Jeff Kaminsky, head of institutional sales trading at Mabon, Nugent & Co.

Prices closed lower in active trading on the American Stock Exchange.

France Signs Pact with U.S. On Stock Fraud

Reuters

PARIS — France and the United States on Thursday signed an agreement on cross-border fraud, saying the deal was part of a growing trend toward cooperation to fight corruption on world securities markets.

"Up to now it was not very easy to exchange information," said Jean Saint-Geours, head of France's recently-strengthened market watchdog agency, known as the COB.

Mr. Saint-Geours and Richard Breeden, chairman of the U.S. Securities and Exchange, said cooperation was needed to detect insider trading and other fraud.

The accord will come into force when the United States amends freedom of information laws to allow data supplied by the French to be kept confidential.

BUSINESS BRIEFS

GAF Found Guilty on Felony Counts

NEW YORK (NYT) — GAF Corp., a chemical and building materials manufacturer, and a senior executive, James T. Sherwin, were found guilty by a federal jury in Manhattan of illegally trying to manipulate the stock of Union Carbide Corp. in 1986 after a takeover attempt.

The conviction on Wednesday was the first time a company outside Wall Street has been found guilty of a crime in the fraud cases that have been based on information provided by Ivan F. Boesky, the arbitrager.

EC Fines Bayer Over Marketing

BRUSSELS (AP) — The European Community on Thursday fined Bayer AG, the West German chemicals concern, $590,000 for violating EC competition rules in the marketing of an animal feedstuff additive.

The fine stems from Bayer's insistence that its West German customers buy the additive only to cover their own requirements. An EC statement said the additive's German patent expired in 1985 opening it up to competition and lowering the price.

British Gas Buys Stake in Catalana

MADRID (Reuters) — British Gas PLC has agreed to take a 7.75 percent stake in Barcelona-based Catalana de Gas for £48 million ($75.6 million), a Catalana spokesman said.

British Gas is buying the stake from the Spanish cement company Asland SA as part of a cooperation accord with Catalana.

Price Fixed for Berlitz Share Offer

NEW YORK (Reuters) — Berlitz International Inc. on Thursday made an initial offering of 8.4 million common shares priced at $16.50 per share.

The offering uses three syndicates, with 5 million shares in a U.S. offering managed by Goldman Sachs & Co., 2.1 million in an international offering managed by Goldman Sachs International Ltd. and 1.3 million in an Asia/Pacific offering managed by Goldman Sachs International, Nikko Securities Co. (Europe) and Nomura International PLC.

Polygram Sets Price of Stock Issue

AMSTERDAM (Reuters) — The issue price of 32 million shares in the music recording company Polygram NV was set at 31.50 guilders ($16.14) per share, Dutch Amro bank said Thursday.

The price is at the lower end of an indicated range. Polygram is owned by Philips NV, which said on Nov. 8 it would sell off 25 million of its Polygram shares and that Polygram itself would issue some 10 million shares.

Allied-Lyons to Sell Embassy Hotels

LONDON (Reuters) — Allied-Lyons PLC said Thursday it had decided to sell its Embassy Hotels chain following an extensive review of the company and its place in the Allied-Lyons group.

Embassy operates a chain of 43 hotels with some 3,200 rooms located throughout Britain, including two London hotels.

Pinnacle West Rejects Stock Offer

PHOENIX, Arizona (Reuters) — Pinnacle West Capital Corp. said Thursday it rejected an acquisition proposal by PacifiCorp, an Oregon-based utility, calling the offer inadequate.

PacifiCorp on Dec. 1 offered to acquire Pinnacle West in a stock exchange involving the swap of 0.18 share of PacifiCorp for each Pinnacle West common share. The complex deal was said to be worth about $4.25 billion.

MARK: *Pöhl Says Inflation Level Justifies Rise in West German Currency*

(Continued from first finance page)

Thursday that the bankers will have to lobby more strongly to assure that steps toward EC monetary union will not undercut inflationary discipline.

"We must try to harmonize and coordinate efforts to focus on price stability," he said.

Mr. Pöhl has on many occasions warned against diluting West German monetary discipline by moving too quickly toward EC monetary union. France and Italy, countries with considerably less impressive inflation records, have been among the most active boosters of accelerated monetary union.

Referring to the recent decision of EC government leaders in Strasbourg to embark ahead of schedule on talks next year about a new stage of monetary union, he said he would have preferred waiting a few years.

But he said he would work with other EC central bankers to make sure that price stability, rather than foreign exchange stability, would be the primary goal and that the bankers should strive to maintain independence from ministers and the EC Commission. West Germany's success in the fight against inflation has long been largely attributed to the Bundesbank's traditional independence from the government.

He said that, in particular, they must prevent any new EC-wide monetary institutions from being used to finance deficits.

At the same time, he said solid steps were being made toward monetary union. He commended France's decision to lift capital controls ahead of schedule and said he believed that Great Britain's long-time refusal to enter the EMS "seemed to be changing, if I interpret correctly what I read in the newspapers."

Foreign Exchange

In New York, the dollar was narrowly mixed in slow trading. The mark slid on profit-taking.

The dollar inched up to 144.155 yen from 144.15 yen. It also slipped to 1.5620 Swiss francs from 1.5647 francs, but rose to 5.9280 French francs from 5.913 francs.

The pound climbed to $1.6015 from $1.5985.

In London trading, the dollar ended mixed. Dealers said with many people closing accounts, market volume was getting thinner.

The U.S. currency edged up to 144.16 yen from 144.07 on Wednesday, and to 5.9383 French francs from 5.9370 francs. But against the Swiss franc, the dollar weakened to 1.5591 francs from 1.5700.

The pound slipped to $1.5970 from $1.5975.

London Dollar Rates

Closing	Thu.	Wed.
Deutsche mark	1.7325	1.7333
Pound sterling	1.5970	1.5975
Japanese yen	144.16	144.07
Swiss franc	1.5591	1.5700
French franc	5.9383	5.9370

Source: Reuters

U.S. FUTURES

Via Associated Press Dec. 14

Season High	Season Low		Open	High	Low	Close	Chg.
Grains							
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.40½	3.78	Dec	4.15½	4.17	4.15	4.16¼	+.01¾
4.43	3.87	Mar	4.16¼	4.16½	4.14½	4.16¼	+.01¾
4.32	3.70	May	3.92	3.93½	3.91	3.92¼	+.01
3.85	3.42½	Jul	3.60¾	3.63¼	3.60½	3.62¾	+.02
3.73	3.48	Sep	3.66½	3.68	3.66	3.67½	+.02
3.80	3.56	Dec	3.77	3.79	3.76	3.78½	+.02½
Est. Sales		Prev. Sales 10,237					
Prev. Day Open Int. 55,058 up 502							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.95	2.18½	Dec	2.34¾	2.35½	2.33¾	2.35¼	+.02
2.86½	2.26	Mar	2.41½	2.42	2.40½	2.41	
2.89½	2.30	May	2.47	2.47½	2.45½	2.45¾	—.00½
2.85	2.31	Jul	2.51	2.51	2.49	2.49¾	—.00½
2.71	2.29	Sep	2.46½	2.48¼	2.46	2.46	
2.63½	2.22	Dec	2.44¾	2.47	2.44¾	2.45	
2.55	2.41	Mar	2.52	2.53½	2.51¾	2.52	
Est. Sales		Prev. Sales 31,943					
Prev. Day Open Int.166,114 off 1,836							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.67	5.57	Jan	5.83½	5.85	5.81¼	5.82¼	+.01¾
7.74	5.63½	Mar	5.98	5.99	5.95¼	5.96½	+.02
7.79	5.73½	May	6.10	6.11½	6.08¼	6.08¼	+.02
7.31	5.78½	Jul	6.21	6.21½	6.18	6.19	+.02½
7.05	5.78	Aug	6.20½	6.24	6.20½	6.21	+.02¼
6.60	5.68	Sep	6.21½	6.22	6.19	6.19¾	+.03½
6.60	5.44½	Nov	6.22	6.26	6.21½	6.23½	+.03¼
6.31	5.87	Jan	6.32½	6.35½	6.32¼	6.33½	+.02½
6.41	6.34½	Mar	6.43	6.43	6.42½	6.42½	+.01½
Est. Sales		Prev. Sales 33,515					
Prev. Day Open Int.101,821 up 1,671							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
260.00	175.50	Dec	183.10	183.50	182.20	183.10	+.50
230.00	175.50	Jan	182.90	184.00	182.10	182.90	+.50
249.20	175.20	Mar	184.00	184.70	183.30	183.70	+.20
230.50	174.50	May	184.50	185.20	184.00	184.10	+.10
208.00	174.00	Jul	185.80	186.20	185.00	185.20	+.20
188.00	173.50	Aug	187.00	187.00	186.00	186.10	+.60
187.00	171.50	Sep	188.00	188.00	186.50	186.70	+.20
187.50	174.00	Oct	188.50	188.50	186.50	186.70	+.20
190.00	174.00	Dec	190.50	190.50	188.50	188.70	+.50
Est. Sales		Prev. Sales 17,002					
Prev. Day Open Int. 57,611 up 633							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
28.05	18.13	Dec	19.05	19.10	19.02	19.09	+.06
25.45	18.35	Jan	19.23	19.29	19.13	19.26	+.09
25.85	18.78	Mar	19.68	19.73	19.57	19.70	+.09
26.05	19.20	May	20.05	20.11	19.95	20.10	+.12
25.80	19.50	Jul	20.25	20.25	20.18	20.31	+.11
23.90	19.50	Aug	20.30	20.30	20.24	20.27	+.10
21.70	19.50	Sep	20.25	20.25	20.24	20.27	+.10
21.35	19.95	Oct	20.25	20.25	20.25	20.32	+.13
21.50	20.05	Dec	20.38	20.40	20.35	20.35	+.14
21.45	20.05	Jan				20.25	+.15
Est. Sales		Prev. Sales 13,355					
Prev. Day Open Int. 69,414 up 1,437							
Livestock							
CATTLE (CME) 40,000 lbs.- cents per lb.							
77.07	62.00	Dec	77.10	77.42	77.05	77.40	+.50
75.75	69.80	Feb	75.50	75.95	75.45	75.82	+.42
75.57	70.20	Apr	74.40	74.50	74.45	74.62	+.27
73.45	69.75	Jun	71.50	71.72	71.50	71.62	+.22
71.95	69.12	Aug	70.25	70.45	70.25	70.37	+.15
70.55	69.30	Oct	70.32	70.57	70.32	70.45	+.22
Est. Sales 14,238		Prev. Sales 10,303					
Prev. Day Open Int. 69,385 off 225							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
84.35	77.30	Jan	83.47	83.95	83.45	83.72	+.30
83.05	77.40	Mar	81.90	82.55	81.90	82.25	+.43
82.45	78.90	Apr	81.20	81.70	81.20	81.47	+.37
81.35	78.60	May	80.35	80.85	80.25	80.55	+.28
80.30	78.50	Aug	79.65	80.10	79.65	80.10	+.43
79.10	78.00	Sep	79.50	79.50	79.50	79.65	+.22
79.10	78.20	Oct	79.45	79.45	79.40	79.40	+.20
79.35	79.00	Nov				79.50	+.15
Est. Sales 1,511		Prev. Sales 903					
Prev. Day Open Int 8,416 up 41							
HOGS (CME) 30,000 lbs.- cents per lb.							
51.90	38.75	Dec	52.60	52.85	52.25	52.75	+1.05
51.87	41.75	Feb	49.35	49.65	48.75	49.10	+.25
47.50	39.40	Apr	45.35	45.55	45.05	45.57	+.07
50.65	44.25	Jun	48.42	48.80	48.40	48.45	+.05
50.75	44.95	Jul	48.40	48.85	48.40	48.52	+.22
49.45	43.70	Aug	47.65	47.75	47.40	47.57	+.10
44.70	40.80	Oct	42.85	42.85	42.47	42.55	+.08
46.10	44.25	Dec	45.70	45.70	45.57	45.56	+.10
Est. Sales 9,471		Prev. Sales 5,816					
Prev. Day Open Int. 31,245 off 535							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
65.90	38.30	Feb	52.80	53.15	49.90	50.32	—1.58
64.90	38.15	Mar	52.45	52.85	49.95	50.17	—1.60
63.75	39.50	May	53.30	53.50	50.52	50.87	—1.48
61.90	39.95	Jul	53.17	53.60	50.95	51.25	—1.15
60.00	39.30	Aug	51.40	51.85	49.10	49.30	—1.10
63.40	48.07	Feb	53.25	53.25	51.80	51.80	—1.50
58.00	53.00	Mar	51.50	51.50	51.50	51.50	—1.50
Est. Sales 6,456		Prev. Sales 6,091					
Prev. Day Open Int. 14,712 off 332							
Food							
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
149.50	68.30	Dec	75.00	75.70	74.50	74.38	—.51
146.00	71.00	Mar	78.25	78.90	77.90	77.95	
124.50	72.75	May	80.25	80.85	80.05	80.08	+.10
132.25	74.85	Jul	82.50	83.00	82.25	82.40	+.15
120.00	77.25	Sep	84.80	85.00	84.50	84.83	+.43
104.00	81.00	Dec	88.00	88.00	87.50	87.75	+.25
116.75	83.00	Mar	90.90	90.90	90.90	90.15	—.35
123.00	122.00	May				92.50	+.50
Est. Sales		Prev. Sales 2,326					
Prev. Day Open Int. 31,629 off 258							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.80	8.00	Jan				13.95	
15.38	8.75	Mar	13.80	13.98	13.69	13.70	—.06
15.10	9.20	May	13.83	13.95	13.65	13.67	—.07
14.84	10.55	Jul	13.77	13.79	13.52	13.53	—.05
14.41	10.40	Oct	13.36	13.45	13.17	13.19	—.06
13.74	12.54	Mar	12.82	12.98	12.82	12.64	—.11
		May				12.60	—.07
Est. Sales 13,018		Prev. Sales 10,394					
Prev. Day Open Int.164,791 up 1,575							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1535	906	Mar	910	916	896	898	—38
1465	916	May	920	926	908	910	—35
1380	929	Jul	940	942	925	925	—36
1400	943	Sep	960	960	943	944	—37
1395	967	Dec	988	988	964	968	—42
1380	985	Mar	1000	1001	992	989	—38
1050	1050	May				1003	—38
Est. Sales		Prev. Sales 6,687					
Prev. Day Open Int. 50,467 up 174							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
173.00	121.00	Jan	128.50	129.75	128.00	128.15	—2.95
171.30	121.40	Mar	129.50	130.50	128.50	128.65	—3.00
169.00	122.50	May	130.00	130.50	128.15	128.30	—2.80
141.03	123.00	Jul	129.50	129.50	128.00	128.50	—1.75
140.00	123.50	Sep				125.40	—3.55
129.00	124.00	Nov				125.05	—3.60
		Jan				123.50	—1.45
		Mar				123.50	—1.45
		May				123.50	—1.45
Est. Sales		Prev. Sales 1,606					
Prev. Day Open Int. 9,926 up 345							
Metals							
COPPER (COMEX) 25,000 lbs.- cents per lb.							
133.70	77.45	Dec	102.25	102.90	100.00	100.25	—2.00
Est. Sales		Prev. Sales 1,180					
Prev. Day Open Int. 2,825 off 310							
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
98.50	73.50	Dec				72.00	
82.50	82.50	Jan				71.50	—1.00
		Feb				71.50	—1.50
87.00	73.00	Mar	72.00	72.00	72.00	71.50	—1.00
75.00	75.00	May	73.50	73.50	73.50	73.00	—1.00
95.50	95.50	Jul				73.00	—1.00
		Sep				73.00	—1.00
		Dec				73.00	—1.00
		Jan				73.00	—1.00
		Mar				73.00	—1.00
		May				73.00	—1.00
		Jul				73.00	—1.00
		Sep				73.00	—1.00
Est. Sales 2		Prev. Sales 57					
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
986.0	508.0	Dec	552.5	557.0	553.5	555.7	+1.2
815.0	517.5	Jan	560.0	560.0	557.0	558.1	+.8
567.0	561.5	Feb				561.8	+.8
910.0	520.0	Mar	565.0	569.0	561.0	566.3	+.8
910.0	527.0	May	573.0	576.5	569.0	574.4	+.8
761.5	536.5	Jul	580.0	585.0	577.0	582.3	+.7
750.0	545.0	Sep	588.5	593.0	588.5	590.4	+.6
742.0	555.0	Dec	599.0	604.0	599.0	602.3	+.4
698.0	596.0	Jan				605.9	+.4
665.0	565.0	Mar	613.0	616.5	613.0	614.3	+.4
647.0	573.0	May				622.5	+.4
667.5	585.0	Jul				631.3	+.4
654.0	654.0	Sep	642.5	642.5	642.5	640.4	+.4
Est. Sales 17,000		Prev. Sales 24,353					
Prev. Day Open Int. 94,741 up 3,047							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
535.00	491.00	Dec				507.30	+6.60
601.50	470.50	Jan	505.50	512.50	505.20	511.30	+6.60
557.50	475.00	Apr	509.50	516.50	509.00	515.10	+6.50
556.00	477.00	Jul	514.00	520.50	514.00	519.60	+6.40
560.50	483.50	Oct	520.50	527.00	520.50	526.00	+6.40
Est. Sales		Prev. Sales 5,284					
Prev. Day Open Int. 21,010 off 61							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
177.50	120.50	Dec				136.50	+1.05
176.60	123.00	Mar	138.00	140.00	136.00	139.60	+.90
175.00	132.00	Jun	138.50	140.00	138.00	139.80	+.95
149.50	133.00	Sep	138.50	140.50	138.50	140.05	+.95
147.00	138.50	Dec	139.00	141.00	138.25	140.55	+.95
Est. Sales		Prev. Sales 972					
Prev. Day Open Int. 6,851 off 96							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
514.50	360.60	Dec	407.60	409.00	404.50	408.30	+.30
415.00	372.00	Jan				410.30	—.10
516.00	364.70	Feb	411.50	414.20	408.20	412.80	—.10
525.00	370.00	Apr	416.20	419.00	413.20	417.80	
497.50	372.50	Jun	422.00	424.00	416.50	422.70	
487.00	389.00	Aug	428.80	428.80	425.80	427.60	
472.00	384.50	Oct				432.50	
455.50	387.50	Dec	437.00	438.50	436.00	437.50	
454.50	394.80	Feb	441.30	441.30	441.30	442.80	
460.00	394.90	Apr	447.50	447.50	447.50	447.30	
453.00	402.50	Jun				453.20	
466.00	389.30	Aug				458.40	
475.00	475.00	Oct				463.70	—.10
Est. Sales 55,000		Prev. Sales 67,690					
Prev. Day Open Int.155,656 off 2,462							
Financial							
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.60	90.75	Mar	93.23	93.37	93.23	93.35	+.12
93.45	91.19	Jun	93.45	93.51	93.45	93.51	+.08
93.55	91.28	Sep	93.42	93.49	93.43	93.47	+.09
93.25	92.93	Dec	93.25	93.25	93.25	93.25	+.09
93.17	93.00	Mar				93.13	+.07
Est. Sales 6,501		Prev. Sales 6,154					
Prev. Day Open Int. 32,186 off 216							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
102-5	91-17	Dec	100-19	100-29	100-19	100-29	+9
101-5	95-17	Mar	100-21	100-30	100-20	100-29	+8
101-6	97-28	Jun	100-24	100-29	100-24	100-23	+6
100-14	100	Sep				100-22	+9
Est. Sales		Prev. Sales 20,737					
Prev. Day Open Int. 69,136 off 1,111							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
101-2	73-18	Dec	99-17	99-31	99-13	99-30	+14
101-4	73-1	Mar	99-15	100	99-15	100	+15
100-11	75	Jun	99-12	99-29	99-12	99-28	+15
100	79-1	Sep	99-7	99-7	99-7	99-20	+14
99-27	80	Dec	98-29	99-11	98-29	99-10	+14
98-27	79-21	Mar	98-25	99	98-25	99	+13
99-4	82-18	Jun				98-23	+12
99-5	86-4	Sep	98-11	98-16	98-11	98-16	+13
97-9	88-18	Dec				98-10	+14
97-26	94-4	Mar				98-4	+12
Est. Sales		Prev. Sales194,539					
Prev. Day Open Int.306,076 up 99,482							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
96-1	91-10	Dec	93-20	93-30	93-20	93-29	+10
95-23	85-19	Mar	94-7	94-27	94-7	94-25	+18
95-13	27-2	Jun	94-25	95-1	94-25	95-1	+18
95-11	76-18	Sep				95-9	+18
Est. Sales		Prev. Sales 234					
Prev. Day Open Int. 763 off 18,391							
EURODOLLARS (IMM) $1 million- pts of 100 pct.							
92.36	88.54	Dec	91.48	91.53	91.48	91.51	
92.46	88.90	Mar	92.14	92.22	92.14	92.20	+.04
92.45	88.82	Jun	92.27	92.36	92.27	92.35	+.07
92.33	88.74	Sep	92.20	92.29	92.20	92.28	+.07
92.04	89.85	Dec	91.98	92.03	91.98	92.03	+.06
91.92	89.96	Mar	91.81	91.88	91.81	91.88	+.06
91.85	89.91	Jun	91.66	91.73	91.66	91.73	+.06
91.83	90.04	Sep	91.56	91.64	91.56	91.64	+.07
91.78	90.04	Dec	91.48	91.54	91.48	91.54	+.07
91.82	90.09	Mar	91.54	91.60	91.54	91.60	+.07
91.76	90.88	Jun	91.51	91.56	91.50	91.56	+.07
91.72	90.88	Sep	91.44	91.50	91.44	91.50	+.07
91.53	90.87	Dec	91.36	91.40	91.36	91.40	+.07
91.65	90.92	Mar	91.39	91.43	91.39	91.44	+.07
91.51	90.90	Jun	91.36	91.39	91.36	91.40	+.07
91.47	90.90	Sep	91.32	91.35	91.32	91.36	+.07
Est Sales115,981		Prev. Sales 15,713					
Prev. Day Open Int.713,170 up 8,722							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.7400	1.4550	Dec	1.5990	1.6006	1.5958	1.5992	+4
1.6160	1.4600	Mar	1.5740	1.5766	1.5710	1.5742	
1.6750	1.4400	Jun	1.5504	1.5520	1.5480	1.5502	—2
Est. Sales		Prev. Sales 18,365					
Prev. Day Open Int. 30,268 up 515							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8625	.7920	Dec	.8599	.8613	.8587	.8608	—16
.8552	.7890	Mar	.8521	.8539	.8514	.8535	—13
.8485	.8088	Jun	.8458	.8470	.8455	.8473	—10
.8410	.8107	Sep	.8400	.8400	.8400	.8411	—7
.8365	.8120	Dec	.8350	.8350	.8350	.8349	—4
.8302	.8160	Mar	.8273	.8273	.8270	.8287	—1
Est. Sales		Prev. Sales 8,444					
Prev. Day Open Int. 32,281 off 1,815							
FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001							
.16515	.14540	Dec	.16835	.16885	.16835	.16860	—65
Est. Sales		Prev. Sales					
Prev. Day Open Int.							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.5825	.4925	Dec	.5763	.5778	.5750	.5766	—26
.5826	.5000	Mar	.5768	.5788	.5754	.5771	—26
.5825	.5057	Jun	.5772	.5777	.5758	.5768	—25
.5775	.5525	Sep	.5765	.5765	.5745	.5765	—26
		Dec	.5769	.5769	.5769	.5762	—28
Est. Sales		Prev. Sales 82,047					
Prev. Day Open Int.112,633 off 7,272							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008650	.006705	Dec	.006939	.006946	.006939	.006941	—3
.008238	.006780	Mar	.006976	.006981	.006973	.006975	—3
.007536	.006850	Jun	.007005	.007006	.007003	.007003	+1
.007390	.007033	Sep				.007033	—1
Est. Sales		Prev. Sales 42,349					
Prev. Day Open Int. 61,048 off 1,575							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.6429	.5791	Dec	.6406	.6425	.6383	.6402	+1
.6437	.5740	Mar	.6412	.6431	.6384	.6404	—1
.6398	.5250	Jun	.6432	.6420	.6387	.6404	
.6425	.6050	Sep	.6421	.6421	.6400	.6402	+2
Est. Sales		Prev. Sales 45,000					
Prev. Day Open Int. 60,798 up 1,258							
Industrials							
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
192.50	181.20	Jan	190.30	190.50	189.60	189.80	—.20
194.00	185.00	Mar	193.30	193.60	192.70	192.80	+.10
196.70	188.00	May	195.60	195.60	194.90	194.90	+.20
197.90	177.50	Jul	196.90	196.90	196.40	196.50	
197.90	192.00	Sep	196.50	196.50	196.40	196.60	+.10
200.00	189.90	Nov	193.60	193.80	193.80	193.80	+.30
194.80	186.50	Jan				195.00	
Est Sales		Prev. Sales 352					
Prev. Day Open Int 6,011 off 17							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
73.40	53.60	Mar	69.46	69.50	67.81	68.15	—.99
73.25	55.70	May	70.45	70.50	68.80	69.10	—.97
72.70	63.70	Jul	70.40	70.40	68.85	68.95	—1.07
72.20	62.95	Oct	66.25	66.30	65.10	65.22	—.61
69.25	63.05	Dec	64.90	64.90	64.00	64.05	—.65
68.45	64.95	Mar				64.70	—.53
64.50	64.00	May				65.30	—.63
Est. Sales 5,500		Prev. Sales 5,752					
Prev. Day Open Int. 42,276 off 17							
HEATING OIL (NYME) 42,000 gal- cents per gal							
63.80	46.60	Jan	68.40	69.80	67.15	67.25	—.71
65.60	48.00	Feb	64.20	64.35	62.85	63.00	—.80
61.15	46.40	Mar	59.25	59.60	58.30	58.10	—.95
57.35	45.00	Apr	55.20	55.40	54.40	54.50	—.71
54.65	44.50	May	53.30	53.35	52.50	52.50	—.61
52.25	44.90	Jun	52.00	52.00	51.50	51.60	—.01
52.85	46.80	Jul	51.40	51.60	51.15	51.15	—.01
53.50	47.80	Aug	51.65	51.90	51.65	51.90	+.34
53.85	48.00	Sep	52.00	52.10	52.75	52.75	+.39
Est. Sales		Prev. Sales 44,124					
Prev. Day Open Int.135,352 off 285							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
20.96	15.67	Jan	20.72	20.90	20.58	20.66	—.11
20.56	15.74	Feb	20.47	20.54	20.31	20.34	—.11
20.42	16.10	Mar	20.18	20.24	20.05	20.10	—.07
20.20	16.30	Apr	19.93	19.95	17.82	19.84	—.09
20.05	16.22	May	19.71	19.78	19.64	19.66	—.08
19.88	16.50	Jun	19.52	19.53	19.44	19.51	—.05
19.74	16.60	Jul	19.35	19.35	19.26	19.33	—.04
19.50	16.39	Aug	19.15	19.15	19.13	19.14	—.06
17.41	16.50	Sep	19.04	19.04	18.93	19.00	—.07
19.30	16.50	Oct	18.90	18.98	18.90	18.98	
19.29	17.50	Nov	18.87	18.87	18.87	18.87	—.05
19.17	12.86	Dec	18.83	18.85	18.83	18.83	—.06
19.17	17.87	Jan	18.81	18.87	18.81	18.87	+.01
19.20	18.15	Feb	18.80	18.86	18.80	18.86	+.02
19.00	18.54	Mar	18.77	18.77	18.77	18.77	—.05
18.97	15.03	Apr	18.70	18.76	18.70	18.75	—.05
18.93	16.65	Jun	18.70	18.70	18.70	18.70	—.06
Est Sales		Prev. Sales 84,632					
Prev. Day Open Int.261,266 off 13,623							
Stock Indexes							
(Indexes compiled shortly before market close)							
SP COMP. INDEX (CME) points and cents							
364.50	298.90	Dec	352.60	352.60	349.80	350.40	—3.00
369.05	325.80	Mar	356.80	357.00	354.45	355.00	—2.95
373.20	332.35	Jun	361.10	361.10	358.40	359.80	—2.25
364.80	345.40	Sep	364.60	364.60	364.60	364.60	—1.95
Est. Sales		Prev. Sales 62,922					
Prev. Day Open Int.132,616 up 3,989							
VALUE LINE (KCBT) points and cents							
311.50	271.00	Dec	291.05	291.05	289.50	289.80	—2.40
314.80	280.65	Mar	296.40	296.80	294.70	295.20	—1.90
Est. Sales		Prev. Sales 557					
Prev. Day Open Int. 1,415 up 115							

Commodity Indexes

	Close	Previous
Moody's	1,072.30 f	1,061.90 f
Reuters	1,817.70	1,810.90
D.J. Futures	129.94	130.26
Com. Research	226.61	227.63

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

WORLD STOCK MARKETS

Agence France Presse Dec. 14

	Close	Prev.
Amsterdam		
ABN Bank	40.20	40.20
ACF Holding	38	38
Aegon	111	111.20
Ahold	131.30	131.70
Akzo	133.40	133.20
AMEV	60.50	60.60
A'Dam Rubber	6.10	6
Amro Bank	77.30	78.10
Bols	176.50	177
Buhrmann Tett	66	65.90
BVG	29	29.50
Center Parcs	62.70	63.50
CSM	78	77.60
DAF	40.50	41.80
DSM	113.50	113.30
Elsevier	78.30	78.80
Fokker	39.90	40.20
Gist-Brocades	32	32
Heineken	124.60	124.50
Hoogovens	84.30	85.40
Hunter Douglas	113	114.20
IHC Caland	36	36.10
Inter Mueller	100	102
KLM	47.10	47.70
KNP	51.20	51.80
Nat Neder	71	71
Nedlloyd	85.60	86.70
NMB Bank	48.30	48.10
Oce Grinten	296	296.50
Pakhoed	140.10	140.20
Philips	45.60	46.10
Robeco	106.40	106.90
Rodamco	80.90	80.80
Rolinco	105.50	106
Rorento	59.60	59.40
Royal Dutch	147.50	149.40
Unilever	159.60	159.70
Van Ommeren	31.50	31.80
VMF Stork	43.20	43.70
VNU	105.80	106
Wessanen	62.50	62
Wolters/Kluwer	45.60	45.90
CBS Gen'l trend index : 183.60		
Previous : 184.30		
Brussels		
Arbed	5350	5400
Bekaert	15800	15900
Cockerill	202	201
Cobepa	5810	5840
Delhaize	5760	5770
EBES	4515	4510
GB-Inno-BM	1350	1360
GBL	4600	4610
Gevaert	8050	8100
Hoboken	21000	21100
Intercom	3680	3685
Kredietbank	4555	4550
Petrofina	11950	11900
Royal Belge	6200	6300
Soc Gen Banque	5850	5850
Sofina	14850	14850
Solvay	14400	14800
Tractebel	9400	9430
UCB	19675	19600
Unerg Ps	2575	2560
Current Stock Index : 6420.37		
Previous : 6443.58		
Frankfurt		
AEG	284	286.50
Allianz Hold	2285	2290
Altana	409	408
Asko	790	800
BASF	279.50	281
Bayer	283.80	284.60
Bay. Hypo bank	400	404.50
Bay Vereinsbk	378	380
BBC	570	590
BHF Bank	420	420
BMW	524	532.50
Commerzbank	266.50	267.50
Continental	314	318
Daimler Benz	682	692
Degussa	488	492
Dt Babcock	233	233
Deutsche Bank	762	768
Douglas	720	722
Dresdner Bank	382.50	387.50
Feldmuehle	525	525
Harpener	475	478
Henkel	564	561.50
Hochtief	956.50	965
Hoechst	269.20	271
Hoesch	292	296
Holzmann	1080	1140
Horten	319	319
IWKA	354	352
Kali Salz	222.50	222
Karstadt	634	640
Kaufhof	634	638
KHD	212	212.50
Kloeckner Werke	196	187
Krupp Stahl	240	215
Linde	858	869
Lufthansa	193	194.70
MAN	419.10	421.50
Mannesmann	319	320.50
Metallgesell	525	522
Muench Rueck	2320	2280
Nixdorf	305.50	307
PKI	574	574
Porsche	790	807
Preussag	388	385
PWA	294.20	295
RWE	386	389.50
Rheinmetall	365	386
Schering	795	787.50
SEL	370.50	370.50
Siemens	639	643.60
Thyssen	262.50	266.50
Varta	414	418
Veba	347.50	352.50
VEW	188	188
Viag	328.50	332
Volkswagen	493.50	500
Wella	647	656
DAX Index : 1425.77		
Previous : 1438.54		
FAZ Index : 685.73		
Previous : 685.57		
Helsinki		
Amer A	154	152
Enso-Gutzeit	30	30.90
K.O.P.	50.50	50.50
Kymmene	98	99
Nokia	105	105
Pohjola	226	210
Stockmann	200	205
Utd Paper	117	117
Wartsila	340	345
Unitas Index : 614.00		
Previous : 617.50		
Hong Kong		
Bk East Asia	17.60	17.60
Cathay Pacific	8.30	8.25
Cavendish Int'l	3.32	3.27
Cheung Kong	9.80	9.80
China Light Pwr	12.60	12.20
Dairy Farm Int'l	7.95	8
Hang Lung Dev	5.20	5.10
Hang Seng Bank	24.80	24.80
Henderson Land	6.40	6.35
HK Air Eng.	23.50	23.40
HK China Gas	21	20.80
HK Electric	7.65	7.60
HK Land	8.70	8.70
HK Realty Trust	4.75	4.72
HK Shang Bank	7.50	7.35
HK Shang Htls	4.97	4.85
HK Telecomm	4.95	4.82
HK Ferry	5.40	5.55
Hutch Whampoa	9.15	9.10
Hysan Dev	1.32	1.32
Jardine Math.	25.10	25.10
Jardine Str Hld	14.30	14.40
Kowloon Motor	7	6.95
Mandarin Orient	5.15	5.20
Miramar Hotel	7.15	7.30
New World Dev	11.30	11.20
SHK Props	13	13.10
Stelux	3.02	3.02
Swire Pac A	16.40	16.20
Tai Cheung Prps	4.20	4.17
TVE	0.91	0.92
Wharf Hold	7.45	7.45
Wing On Co	7.75	7.75
Winsor Ind.	8.25	8.35
World Int'l	3.70	3.67
Hang Seng Index : 2876.75		
Previous : 2851.84		
Johannesburg		
AECI	1670	1690
Altech	7600	7750
Anglo Amer Corp	11500	11625
Barlows	4600	4625
Blyvoor	1400	1450
Buffels	7900	8300
GFSA	10500	10850
Harmony	3500	3525
Highveld Steel	1490	1500
Kloof	4760	4990
Nedbank Grp	1135	1120
Rusplat	8850	8950
SA Brews	3050	3050
St Helena	4700	4650
Sasol	1310	1320
Welkom	3200	2275
Western Deep	19300	19500
Composite Stock Index : 3083		
Previous : 3115		
London		
Allied Lyons	4.98	4.95
Anglo Am Gld	41.87	41.87
AA Corp	17.60	N.A.
Asda-MFI Gp	1.06	1.11
Ass Brit Foods	4.17	4.23
Barclays	5.56	5.45
Bass	10.51	10.55
B.A.T.	8.22	8.30
Blue Circle	2.34	2.37
BOC Group	5.28	5.32
Boots	2.73	2.70
Bowater	4.38	4.41
BAe	5.74	5.77
BAA	3.93	3.90
Brit Airways	2.17	2.17
British Gas	2.25	2.30
BP	3.31	3.39
British Steel	1.34	1.31
Brit Telecom	2.89	2.90
BTR	4.49	4.68
Burmah Oil	6.86	6.79
Cable Wire	5.30	5.28
Cadbury Sch	3.52	3.52
Charter Cons	4.55	4.45
Comm Union	4.90	4.99
Cookson	2.60	2.71
Courtaulds	3.77	3.87
Dalgety	4.03	3.98
De Beers	16.50	16.42
Dixons	1.32	1.34
Driefontein	14.62	14.62
Fisons	3.53	3.58
Gen Acc F	11.73	11.68
GEC	2.25	2.28
GKN	4.23	4.22
Glaxo	8.08	8.21
Grand Met	4.12	4.05
Gt Univ Stores	15.13	15.13
GRE	2.52	2.58
Guinness	6.60	6.60
Hanson Tr	2.34	2.34
Hawker Sidd	6.90	6.90
ICI	11.28	11.37
Kingfisher	2.90	2.91
Land Sec	5.23	5.30
Legal Gen Grp	4.06	4.09
Lloyds Bank	4.35	4.38
Lonrho	2.97	2.98
Lucas Ind	6.27	6.44
Marks Sp	2	2
Maxwell	2.33	2.35
MB Group	1.97	1.98
Midland Bk	3.69	3.68
NatWest	3.45	3.46
Pearson Grp	7.60	7.66
P and O	5.93	5.98
Pilkington	2.33	2.33
Prudential	2.20	2.21
Racal Elec	2.40	2.45
Randfontein $	N.Q.	—
Rank Org	8.48	8.37
Reed Int'l	4.39	4.52
Reuters	10.45	10.85
Rolls Royce	1.73	1.72
Royal Dutch	47.62	47.87
RTZ	5.72	5.88
Saatchi	2.49	2.50
Sainsbury	2.57	2.58
Sears Holds	1.04	1.05
Shell	4.77	4.92
Skbeec	6.09	6.15
STC	2.52	2.55
Std Chart Bk	5.55	5.65
Storehouse	1.11	1.17
Sun Alliance	3.20	3.20
Tate and Lyle	2.83	2.79
Tesco	1.90	1.93
Thorn EMI	7.90	7.87
T.I. Group	4.20	4.26
Trafalgar Hse	3.60	3.65
THF	3.06	3
Ultramar	3.50	3.60
Unilever	7.06	7.13
Utd Biscuits	3.58	3.58
Vickers	2.14	2.11
Wellcome	7.62	7.60
Woolworth	63	61.40
F.T. 30 Index : 1871.40		
Previous : 1886.10		
F.T.S.E. 100 Index : 2367		
Previous : 2384.20		
Madrid		
Bco. Bilbao/Viz.	788	788
Bco. Central	950	950
Bco. Santander	760	761
Banesto	1028	1025
Dragados	N.Q.	3135
Iberduero	N.Q.	692
Telefonica	N.Q.	971
S.E. General Index : 303.88		
Previous : 302.82		
Milan		
Banca Comm	4975	4890
Bastogi	368	360
Ciga hotels	4810	4730
CIR	5030	4800
Cred Ital	2870	2790
Enimont	1658	1595
Eridania	7750	7780
Ferruzzi Fin.	3175	3095
Ferruzzi Agr.	2690	2625
Fiat SPA	11090	10840
Generali	41000	40300
IFI	23650	23000
Italcem	12030	12000
Italgas	2910	2900
Italmobiliare	19370	19200
Mediobanca	18400	18000
Montedison	2075	1980
NBA	1860	1840
Olivetti	7418	7250
Pirelli	2760	2820
RAS	27200	26480
Rinascente	7410	7300
Saipem	2420	2375
SIP	3298	3270
SME	4090	4025
Snia	2800	2700
Standa	32900	32600
Stet	4723	4615
Toro Assi Risp	22100	21450
p: x 100		
MIB Current Index : 1136		
Previous : 1119		
Montreal		
Alcan Aluminum	26.12	26.25
Bank Montreal	34	34.25
Bell Canada	44.25	44.50
Bombardier A	15.75	15.75
Bombardier B	15.75	15.75
Cambior	15.50	15.62
Cascades	5.25	5.12
CB Pak	N.Q.	—
Dominion Text A	16	16.12
Donohue	10.75	10.75
MacMillan Bl	17.25	17.25
Memotec	10.62	10.50
Natl Bk Canada	12.87	13.25
Noverco	11.87	12
Power Corp.	15.75	15.87
Provigo	10	10
Quebec Tel	15.75	15.75
Quebecor A	14.75	14.75
Quebecor B	12.87	12.87
Videotron	16.62	16.62
Industrials Index : 1635.24		
Previous : 1633.91		
Paris		
Accor	906	906
Air Liquide	674	676
Av Dassault	531	532
Bancaire	640	644
BIC	772	768
Bongrain	3175	3155
Bouygues	688	695
BSN-GD	746	750
Carrefour	3592	3634
Cerus	440	433
C.G.E.	517	516
Chargeurs	1344	1312
Club Med	634	636
Dumez	961	964
Elf-Aquitaine	514	518
Europe 1	1113	1112
Gen. Eaux	2292	2320
Hachette	400	404.50
Havas	1395	1403
Imetal	328	332
Lafarge Coppee	1503	1505
Legrand	3588	3595
Oreal (L')	4797	4860
L.V.M.H.	5130	5170
Matra	409	411
Merlin Gerin	4890	4789
Michelin	149.20	169.20
Moulinex	148.90	148
Occidentale	838	819
Paribas	695	677
Pernod-Ricard	1503	1501
Perrier	1882	1880
Peugeot	827	833
Printemps (Au)	710	730
Radiotechnique	580	604
Raff. St. Louis	1558	1540
Redoute (La)	3540	3580
Roussel Uclaf	2145	2140
Saint Gobain	633	639
Sanofi	1050	1045
Skis Rossignol	1060	1098
Societ. Generale	532	538
Suez	436	434
Telemecanique	4443	4500
Thomson-CSF	155.60	155.50
Total	557	556
Valeo	843	843
CAC 40 Index : 1954.62		
Previous : 1960.42		
Sao Paulo (Dec. 13)		
Banco do Brasil	2.18	1.93
Bradesco	0.42	0.40
Brahma	0.43	0.37
Paranapanema	0.26	0.21
Petrobras	24.50	23.90
Varig	5.50	5.10
Prices in U.S. dollars.		
Bovespa index : 43574		
Previous : [illegible]		
Singapore		
Cerebos	5.65	5.65
City Dev.	3.48	3.40
DBS	11.30	11
Fraser Neave	8.45	8.50
Genting	8.15	8.15
Harrisons Plant	1.75	1.75
Haw Par	2.85	2.86
Inchcape	5.35	5.35
Keppel	6.55	6.45
KL Kepong	3.20	3.26
Lum Chang	1.54	1.47
Malayan Banking	8.90	8.90
OCBC	9.45	9.40
OUB	4.24	4.26
OUE	8.95	8.80
Sembawang	5.60	5.30
Shangri-la	9.35	9.10
Sime Darby	4.16	4.08
SIA	14.80	14.60
S'pore Land	14.40	14.20
S'pore Press	8.75	8.75
Sing Steamship	3.46	3.46
Straits Trading	3.68	3.74
UOB	5.40	5.45
United Overseas	2.13	2.13
Straits Times Ind. : 1467.98		
Previous : 1464.29		
Stockholm		
AGA	280	270
Alfa Laval	225	220
Asea	672	670
Astra -A	345	353
Atlas Copco	292	295
Electrolux B	276	281
Ericsson	856	863
Esselte-A	225	225
Handelsbanken	114	111
Pharmacia-A	223	225
Norsk Hydro	148	144.50
Saab-Scania	115	120
Sandvik	285	285
SCA-A	127	126
S-E. Banken	91	87
Skandia Int-A	250	250
Skanska	532	535
SKF	148	149
Stora	320	315
Volvo	435	430
Affaersvaerlden : 1155.60		
Previous : 1152.70		
Sydney		
ANZ	5.72	5.72
BHP	9.04	8.88
Bond	0.13	0.13
Boral	3.64	3.64
Bougainville	1.60	1.60
Coles Myer	8.30	8.24
Comalco	3.76	3.70
CRA	10.98	10.90
CSR	5.08	5.06
Dunlop	4.75	4.80
Elders IXL	2.13	2.13
ICI Australia	6.82	6
Magellan	1.70	1.65
MIM	2.18	2.18
Nat Aust Bank	6.84	6.82
News Corp	13.95	14
N Broken Hill	2.72	2.72
Poseidon	2.63	2.62
QCT Resources	1.39	1.38
Santos	3.90	3.90
Thomas Nation	2.74	2.66
Western Mining	6.58	6.58
Westpac Banking	5.58	5.56
Woodside	3.85	3.85
All ordinaries index : 1615.60		
Previous : 1615.20		
Tokyo		
Akai Electr	880	885
Asahi Chemical	1250	1280
Asahi Glass	2350	2370
Bank of Tokyo	1930	1930
Bridgestone	1970	1960
Canon	1840	1860
Casio	1520	1520
C.Itoh	1130	1160
Dai Nippon Print	2390	2370
Daiwa House	2840	2840
Daiwa Securities	2430	2470
Fanuc	7920	7930
Fuji Bank	3620	3630
Fuji Photo	4570	4620
Fujitsu	1520	1510
Hitachi	1520	1530
Hitachi Cable	1290	1300
Honda	1820	1800
Ito Yokado	4690	4680
Japan Air Lines	18000	18300
Kajima	2270	2280
Kansai Power	5160	5160
Kawasaki Steel	852	866
Kirin Brewery	2000	1990
Komatsu	1390	1420
Kubota	1270	1270
Kyocera	5460	5400
Matsu Elec Inds	2330	2360
Matsu Elec Wks	2230	2250
Mitsubishi Bk	3310	3320
Mitsubishi Kasei	1050	1060
Mitsubishi Elec	1110	1120
Mitsubishi Hev	1170	1170
Mitsubishi Corp	1900	1940
Mitsui and Co	1310	1320
Mitsukoshi	2650	2650
Mitsumi	1710	1750
NEC	1820	1820
NGK Insulators	1680	1680
Nikko Securities	1950	1950
Nippon Kogaku	1490	1510
Nippon Oil	1880	1880
Nippon Steel	813	802
Nippon Yusen	1190	1180
Nissan	1500	1500
Nomura Sec	3660	3700
NTT (SF)	16109	16519
Olympus Optical	1660	1660
Pioneer	5910	5990
Ricoh	1270	1260
Sanyo Elec	976	972
Sharp	1760	1760
Shimazu	1440	1460
Shinetsu Chem	1780	1780
Sony	8700	8750
Sumitomo Bk	3710	3740
Sumitomo Chem	945	945
Sumi Marine	1610	1620
Sumitomo Metal	912	895
Taisei Corp	1640	1630
Taisho Marine	1670	1650
Takeda Chem	2330	2330
TDK	5450	5650
Teijin	957	957
Tokyo Marine	2290	2280
Tokyo Elec Pw	6220	6290
Toppan Printing	2190	2190
Toray Ind.	1020	1030
Toshiba	1260	1280
Toyota	2630	2630
Yamaichi Sec	1990	2000
Nikkei 225 : 38180		
Previous : 38047		
New Index : 2871		
Previous : 2878		
Toronto		
Abitibi Price	14.75	14.87
Agnico Eagle	11	11
Air Canada	12	13
Alberta Energy	19.25	19.25
Am Barrick Res	36	36
BCE	34.50	34.62
BCED	1.30	1.30
Bk Nova Scotia	16.75	17
BC Gas	42.50	42.50
BC Phone	18	18.12
BP Canada	21.37	21.37
Bramalea	21.37	21.37
Brunswick	11.12	11.12
CAE	9.75	9.75
Campeau	5.25	5.25
CIBC	100.62	N.A.
Canadian Pacific	25.62	25.62
Can Packers	17.75	18.37
Can Tire A	25.62	25.37
Cantor	26.62	26.62
Cara	17.87	17.50
CCL Ind B	9.62	9.75
Cineplex	9.62	9.25
Cominco	26.75	26.50
Conwest Expl A	13.62	13.75
Corona A	10.62	10.62
Denison Min B	4.60	4.60
Dickenson Min A	6.25	6.25
Dofasco	25	24.87
Dylex A	N.Q.	—
Echo Bay Mines	22.50	22.62
Equity Silver A	4.50	4.35
FCA Intl	10.12	10
Falconbridge	N.Q.	—
Fed Ind A	14	14
Fletcher Chall A	15.62	15.50
FPI	6.50	6.50
GoldCorp	5.25	5.25
Grafton Group	N.Q.	7.75
Gulf Cda Res	16.25	16.62
Hees Intl	29.37	29.12
Hemlo Gld Mines	19.62	19.62
Hollinger	12	12
Horsham	11	11
Hudson Bay	8.12	8.12
Imasco	37.75	38.12
Inco	31.62	31.37
Interhome	43.75	43.62
Jannock	19.50	19.50
Labatt	25.75	25.87
Loblaw Co	14.62	14.62
Mackenzie	8.87	8.75
Magna Intl A	8.50	8.62
Maritime	18.50	18.75
Mark Res	9.37	9.50
MacLean Hunt X	17.25	17.37
Molson A	29.62	29.75
Noma Ind A	12.87	13.12
Noranda	N.Q.	—
Noranda Forest	13.75	13.75
Norcen Energy	25.50	25.50
Nova Corp	8.75	8.87
Oshawa	31.25	31.50
Pagurin A	8.62	8.62
Placer Dome	22.37	22.25
Poco Petroleum	8.12	8.12
PWA Corp	14.37	14.37
Quebec Sturgeon	1.25	1.25
Rayrock	11.25	11.50
Renaissance	24.87	24.87
Rogers B	109	108
Rothmans	N.Q.	—
Royal Bank Can	51	51.25
Royal TrustCo	18.25	18.37
Sceptre Res	4.65	4.50
Scott's Hosp	15.25	15.25
Seagram	103.75	104
Sears Can	12.62	12.62
Shell Can	42.25	42.12
Sherritt Gordon	10	10.12
SHL Systemhse	10.50	11.25
Southam	22.62	22.62
Spar Aerospace	8.50	8.37
Steico A	20.62	20.87
Teck B	27.25	27.25
Thomson News	16.87	16.87
Toronto Domn	22	22
Torstar B	34.50	34.50
Transalta Util	14.62	14.37
TransCda Pipe	16.50	16.62
Triton Finl A	27.25	27.37
Trimac	6.12	5.75
Trizec A	24.75	25
Turbo Resources	0.48	0.49
Unicorp A	4.90	N.Q.
Woodward's Ltd	2.50	2.40
TSE 300 Index : 3993.10		
Previous : 4004.10		
Zurich		
Adia	N.Q.	—
Alusuisse	1340	1355
Bank Leu	3210	3250
Brown Boveri	5130	5180
Ciba Geigy	3665	3700
Credit Suisse	2570	2600
Elektrow	2765	2725
Fischer	1975	1940
Interdiscount	4195	4290
Jacob Suchard	6625	6680
Jelmoli	2380	2400
Landis Gyr	1260	1280
Moevenpick	5190	5150
Nestle	8730	8740
Oerlikon-B	715	720
Pargesa Hld	1675	1680
Roche Holding B	3880	3830
Sandoz	2015	2020
Schindler	5350	6325
Sulzer	673	680
Surveillance	4500	4520
Swissair	1270	1300
SBC	345	351
Swiss Reinsur	646	650
Swiss Volksbank	1830	1845
Union Bank	3830	3855
Winterthur	4380	4380
Zurich Ins	2070	2060
SBS Index : 653.80		
Previous : 655.20		

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International Herald Tribune
BUSINESS/FINANCE
** FRIDAY, DECEMBER 15, 1989

THAT'S WHO!
DAEWOO

WALL STREET WATCH

Drexel's Financial Woes Raise Independence Issue

By Kurt Eichenwald
New York Times Service

NEW YORK — Drexel Burnham Lambert Inc., the investment house that came to define the fast money world of Wall Street in the 1980s, has seen its financial position deteriorate in recent months, and some employees, clients and competitors are privately questioning whether Drexel can survive as an independent firm.

Top Drexel executives say the firm is in a strong financial position and expect it to be in the black for 1989.

But at least through October, Drexel was showing an operating loss for the first time since it became a power on Wall Street. The losses stem largely from the declining junk bond market, the source of most of Drexel's revenue, and Drexel's falling share of that market.

So far in the fourth quarter, Drexel has been the lead underwriter for just $264.6 million in junk bonds, placing sixth among Wall Street houses, with 5.2 percent of the total market.

Until this year, Drexel had never ranked less than first in this category, which it pioneered, and often the firm took more than half the market.

Citing the firm's dependence on the junk bond market, Standard & Poor's, the rating agency, recently downgraded Drexel's commercial paper. That would increase the cost of financing, although Drexel has said that commercial paper accounts for only 2 percent of its financing.

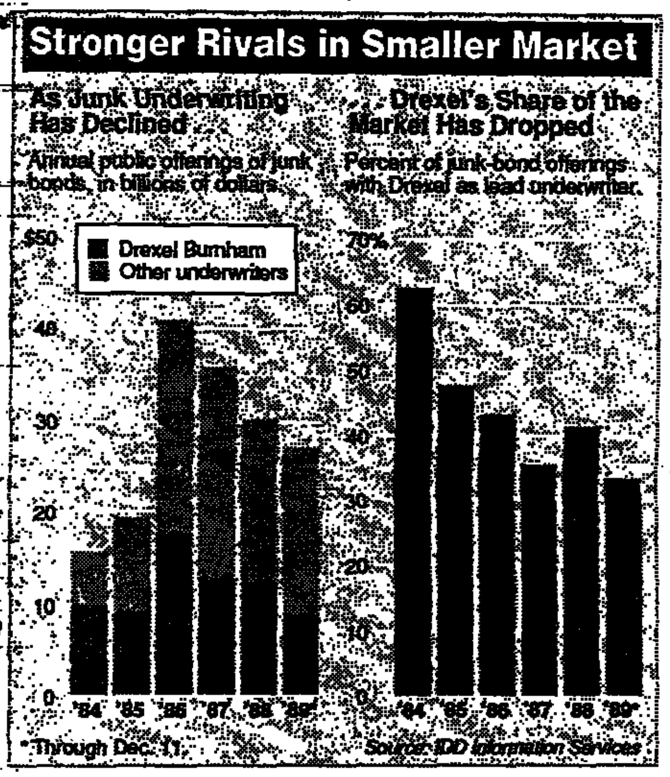
To address the concerns of the rating agencies about its financial condition, Drexel plans to raise $150 million, in part from Groupe Bruxelles Lambert, a Belgian bank that is the largest shareholder in the firm. Telephone calls to executives at the American office of Bruxelles Lambert were not returned.

But more than 50 percent of that financing will come from the firm's employees. Those making more than $200,000 a year are being required to take 15 percent of their salary in securities of the company. Executives making more than $1 million a year must take 18 percent of their salary in the securities.

People inside and outside Drexel have also reported the loss of talented employees from its junk bond unit as well as some longtime clients, and a kind of siege mentality lingering from federal securities fraud charges to which Drexel pleaded guilty.

The problems at the firm and in the junk bond market have made it more difficult for Drexel to sell some debt offerings, and Drexel has been forced to buy hundreds of millions of dollars of

See DREXEL, Page 15



U.S. Trade Action Worrying GATT

Compiled by Our Staff From Dispatches

GENEVA — Unilateral U.S. action to settle trade disputes is worrying America's trading partners and causing them to wonder if Washington really wants to abide by international rules, GATT said on Thursday.

Much anxiety has been aroused by the way in which the United States applies provisions in its 1988 Trade Act, which allow it to retaliate directly against countries the administration considers to be unfair traders, the GATT secretariat said in a review of U.S. trade policies.

It noted that the law permitted the United States to act without getting the approval of its partners in the 96-nation General Agreement on Tariffs and Trade, as provided by GATT rules. Also retaliatory moves did not have to be consistent with GATT procedures.

The United States has targeted Brazil, India and Japan as unfair traders under the so-called "Super 301" section of the law.

The 176-page report cited trade sanctions the United States imposed earlier this year on the European Community in a dispute over hormones in U.S. beef, and against Brazil last year in a row over pirating of pharmaceutical patents.

Trading partners have viewed such actions "as a lack of commitment on the part of the United States to multilateral rules and procedures," the report said.

It noted that Washington had declared its intention to seek multilateral solutions to difficulties with its trading partners within the Uruguay Round of trade-liberalizing negotiations currently being conducted under GATT auspices.

All GATT member states were concerned about the consistency of this approach with bilateral or unilateral initiatives taken by the United States outside the GATT framework to promote its own trading interests, the report said.

In a separate report submitted to the GATT council in Geneva as part of the same evaluation, the U.S. government said its trade policy was aimed at reducing trade distortions and barriers, both in the United States and abroad, to allow market forces to operate and boost trade expansion.

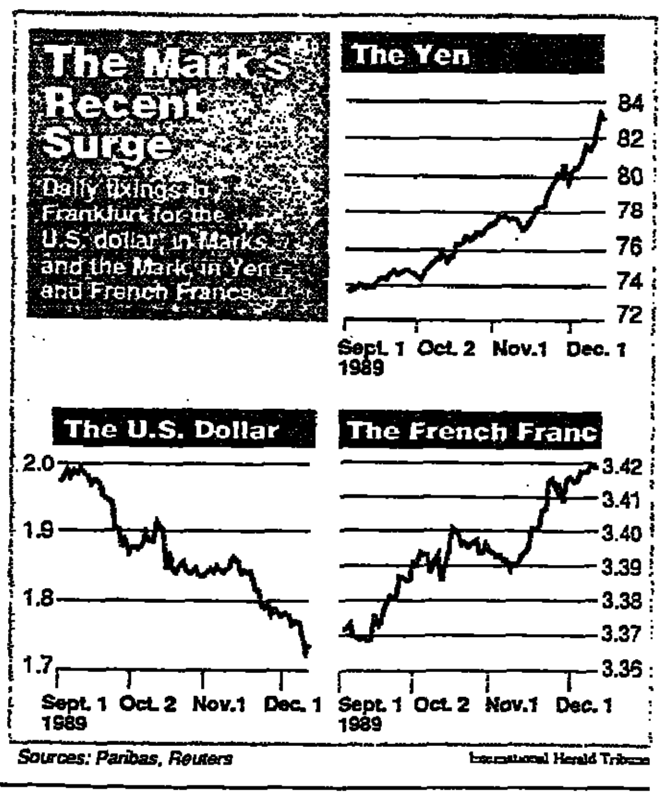
The United States is committed to "an open and fair trade policy," Rufus Yerxa, U.S. ambassador to GATT, told the meeting.

"Those who believe the United States can solve its trade or economic problems by erecting high trade barriers," he said, "are living in the age of the dinosaur."

Mr. Yerxa said he regarded the GATT secretariat report as "generally fair," commenting that such an evaluation of trade policy was bound to be critical in parts.

The United States was the third country to have its trade policies scrutinized under a GATT review procedure introduced this year.

GATT sets the rules for some 80 percent of global commerce, based on free trade principles guiding market economies. *(Reuters, AP)*



Mark's Gains Are Justified, Pöhl Asserts

By Richard E. Smith
International Herald Tribune

FRANKFURT — Karl Otto Pöhl, president of the Bundesbank, said Thursday the recent surge in the Deutsche mark was justified by West Germany's low inflation, but he cautioned the country's unions against provoking higher inflation.

"Happily, the mark has risen strongly after the decision to raise rates in October and this is justified when you compare inflation rates," he said.

The West German government's council of economic experts recently predicted an average inflation rate of 3 percent, one of the industrialized world's lowest, for both 1989 and 1990.

The mark gained against the dollar Thursday in London trading, as the dollar fell to 1.7325 DM from 1.7332 DM at Wednesday's close. But the German currency slipped in New York, where the dollar rose to 1.7336 DM from 1.7295 DM.

With unions gearing up for what could be a stormy wage round next spring, Mr. Pöhl has warned them against excessive wage demands with increasing frequency, and this concern was considered a major factor in the decision in early October to raise the discount and Lombard rates by a full point.

IG Metall, the pace-setting metalworkers' union, earlier this week asked for wage increases of 9 percent and a two-hour cut in the work week, to 35 hours.

While Mr. Pöhl made clear that the behavior of the unions would be a major inflationary danger, he said he did not believe that the massive influx of East Germans and East European ethnic Germans would have be inflationary.

"This could increase growth potential, but it must not necessarily lead to more inflation if the correct policies are followed," he said.

In the meantime, Mr. Pöhl said that he was "very satisfied" with West Germany's inflation performance at the moment, particularly after seven years of continuing growth, which was unusually high this year.

Underscoring the general satisfaction, he announced that the Bundesbank's central bank council had set a target for growth of the M-3 money supply between 4 percent and 6 percent, similar to last year's target of "about" 5 percent. He also said that a rise of about 5 percent would be acceptable again this year, if growth of productive capacity holds around 2.5 percent and inflation does not exceed 2 percent.

Analysts had widely anticipated that the target would remain basically unchanged in view of the bank's success with their target this year and its general satisfaction with the inflation rate.

Mr. Pöhl's happiness with the recent rise of the mark fit well with the market's general optimism about the longer term prospects for the currency, due to the strength of the West German economy and the potential role for the country in developing Eastern Europe.

"The Bundesbank has been hoping for a stronger mark for months and the market sees his statements as a confirmation of the Bundesbank's intentions," said Klaus Elsner, a vice-president and currency expert with Deutsche Bank AG.

"Since the mark cannot be upvalued in the European Monetary System due to the position of France, the recent rise of the mark, for whatever reasons, fits will with the needs of the Bundesbank," he said.

West German bankers and politicians have been pushing for an EMS realignment for many months to help chip away at the massive West German trade surplus but French officials, fearful of imported inflation, are opposed to an adjustment.

Mr. Pöhl, elected earlier this week as chairman for three years of the committee of European Community central bankers, said

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IG Metall Set for Hours Battle

Reuters

DORTMUND, West Germany — West Germany's largest trade union is threatening an overtime ban against the car industry as the opening shot in a battle starting next month to win higher pay and shorter working hours.

"We've agreed to prepare for banning overtime by the end of February 1990 at the latest," Klaus Zwickel, chief wage negotiator of the IG Metall union, said in an interview.

Negotiations are due to begin next month between the union and employers on a new three-year wage contract.

West German industry is working at full capacity and often is only able to meet booming demand for its goods if workers agree to overtime.

IG Metall, which represents employees in such sectors as vehicles, heavy engineering and steel, announced on Monday that its members, numbering nearly three million, wanted a 9 percent pay rise and a cut in the working week from 37 hours to 35.

Business leaders say the demands are outrageous and predict a bitter round of negotiations in January, which could end in strike action and workers being locked out from their plants.

The union last went on strike in 1984, paralyzing the car industry. Mr. Zwickel said IG Metall was considering different tactics next year because of a recent change in the law.

The government previously paid welfare benefits to workers if they were affected by strikes in another part of their industry. But the center-right government of Chancellor Helmut Kohl has scrapped payments for workers who live outside the region where the strike is taking place.

Business leaders have threatened IG Metall with a nationwide lockout if it goes on strike.

In 1984 IG Metall focused on the car components industry, but Mr. Zwickel said that tactics next year may involve what he called "alternating strike action."

The union would shift strike action from firm to firm so employers would not be able to impose industry-wide lock-outs.

Mr. Zwickel said strike action was difficult to organize but he was confident the union could motivate its members to fight for the wage demand and the cut in hours.

Business leaders say IG Metall's members may want the pay rise but are not interested in the cut in hours. They also say such a reduction in the working week would severely hurt West German industry's ability to compete internationally.

IG Metall claims the 35-hour week would create more jobs and is being introduced in other European countries.

The union first campaigned for the 35-hour week in 1984 and has since then achieved a gradual reduction in hours from the 40-hour week worked five years ago.

EC Will Suggest Rules On Dumping of Goods

Reuters

BRUSSELS — The European Community, criticized by competitors such as Japan for unnecessarily blocking imports, plans to suggest clearer global rules for determining when traded goods are sold at unfairly low prices.

The EC Commission said on Thursday that it would present the new ideas formally to a General Agreement on Tariffs and Trade meeting in Geneva next week.

More than a 100 countries are trying, as part of a wider world trade negotiation begun in Uruguay three years ago, to establish an anti-dumping code defining when they can act against a flood of cheap imports.

Japan, South Korea and Hong Kong say the community has been too aggressive in curbing imports from Asia when EC producers have complained that selling prices were unfairly low.

In one case, the EC last September proposed a special levy on Japanese dot-matrix computer printers, assembled in Britain at so-called "screwdriver plants," which Brussels said were evading import duties.

The United States last month joined in the call for tighter rules, saying it was time the code took account of the fact that many manufactured goods are made from parts produced in more than one country.

The new proposals seek to allay the fears of trading partners. EC officials said it proposes that clearer rules be introduced into the code on procedure for filing a complaint, for the conduct of investigations and considering evidence, and for making final rulings.

Matra, GEC Form Space Venture

Reuters

LONDON — Britain's General Electric Co. said Thursday that it was joining with France's Matra SA to form a joint-venture space technology company that both sides hoped would play a major role in European satellite projects.

The new company will be called Matra Marconi Space and will also be involved in Western Europe's Ariane rocket program and the planned European space station Columbus.

It will contribute to European military, telecommunications and meteorological satellite programs, a GEC statement said.

Matra initially will have a 51 percent share in the new company and GEC will hold the rest, although it will have the option to increase its holding to half if the joint venture expands as expected.

GEC and Matra will be equally represented on the board of the new company, which is expected to have an annual turnover of £300 million ($479.2 million) and will employ 2,700 people in Britain and France.

The venture is another instance of the increasing cross-border link-ups and domestic concentration in the European defense-contracting sector. GEC already has a 5 percent stake in Matra, as does West Germany's Daimler-Benz AG, which in turn merged recently with Messerschmitt-Bölkow-Blohm GmbH.

Another French company, Thomson-CSF, is interested in the troubled British defense contractor Ferranti International Signal PLC.

Three months ago, GEC and Siemens AG of West Germany took control of British-based Plessey Co. in a deal that created Europe's biggest defense and electronics business.

Claude Goumy, the Matra executive who will be managing director of Matra Marconi Space, said the new company would be able to handle all aspects of space technology from design to construction operations.

"We have established Europe's foremost group in satellite communications," he added.

Richard Wignall of the GEC subsidiary Marconi Co., who will be deputy head of the new company, said: "The European space industry must consolidate its efforts in order to take its proper share in an increasingly competitive market."

Mr. Wignall said in the statement, "The European space industry must consolidate its efforts in order to take its proper share in an increasingly competitive international market."

■ Ferranti Shares Fall

Shares in Ferranti International Signal PLC fell 3.5 pence, or nearly 10 percent, to 35.5 pence after British press reports that Daimler-Benz had dropped out as a potential suitor, Reuters reported.

Daimler-Benz felt that a Ferranti timetable for negotiations was too restrictive, the reports said, but it may look at prospects again if Ferranti does not reach agreement with anyone else by February.

Inventories Rise in U.S. as Sales Decline

The Associated Press

WASHINGTON — U.S. business inventories rose 0.4 percent in October, while business sales fell 0.7 percent, the government said Thursday in a report that flashed a warning on growing backlogs.

Many economists worry about the accumulation of goods on shelves rising faster than sales. If inventories were to pile up excessively, it could mean cutbacks in production and a loss of jobs, perhaps leading to a recession.

The Commerce Department said inventories climbed to a seasonally adjusted $793.9 billion in October after remaining unchanged in September. The revision in the September report showed the situation then was not as pessimistic as the 0.2 percent rise reported earlier.

CURRENCY RATES

Cross Rates

Dec. 14

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	1.96	2.1345	1.1288	0.3303	0.1516 *	—	5.368 *	1.2542	1.3587 *
Brussels(a)	36.53	58.365	21.04	6.1525	2.8257 *	18.6395	—	23.307	0.2537
Frankfurt	1.7361	2.777	—	0.2925	0.1343 *	0.8859	4.754 *	1.1103	1.205 *
London (b)	1.597	—	2.7693	9.4835	2,063.58	3.1293	58.34	2.4898	230.225
Milan	1,295.50	2,066.20	744.76	217.76	—	659.46	35.381	827.18	8.966
New York(c)	—	1.6015 b	1.7336	5.928	1,292.80	1.957	36.472	1.562	144.155
Paris	5.935	9.4885	3.4191	—	0.4593 *	3.029	0.1625	3.7985	4.1125 *
Tokyo	144.25	231.45	83.45	24.43	0.1122	73.92	3.9738	92.26	—
Zurich	1.56	2.489	0.8992	0.263	0.1206 *	0.7965	4.2703 *	—	1.0826 *
1 ECU	1.1703	0.7318	2.0305	6.9411	1,511.91	2.292	42.7161	1.8257	168.641
1 SDR	1.3021	0.8136	2.2606	7.728	1,686.47	2.5571	47.5661	2.0306	187.634

Closings in London and Zurich, fixings in other centers. New York closing rates.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	990.00	Fin. markka	4.105	Mex. peso	2658.00	S. Afr. rand	2.571
Austral. $	1.2739	Greek drac.	159.90	N. Zealand $	1.6793	Soviet ruble*	0.6201
Austr. schil.	12.23	Hong Kong $	7.8045	Nig. naira*	5.2995	Span. peseta	112.40
Brazil cruz.	8.783	Indian rupee	16.978	Norw. krone	6.6925	Swed. krona	6.2725
Canadian $	1.1631	Indo. rupiah	1782.00	Phil. peso	21.93	Taiwan $	25.95
Chinese yuan*	3.7221	Irish £	0.6581	Port. escudo	151.80	Thai baht	25.63
Danish krone	6.7425	Israeli shek.	1.965	Saudi riyal	3.748	Turkish lira	2289.00
Egypt. pound	2.5432	Kuwaiti dinar	0.2924	Sing. $	1.9735	UAE dirham	3.67
		Malay. ring.	2.699	S. Kor. won	678.40	Venez. boliv.	43.85

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5906	1.5815	1.5741	Canadian dollar	1.1666	1.1701	1.1732
Japanese yen	143.82	143.57	143.38	Swiss franc	1.5584	1.5583	1.5582
Deutsche mark	1.7327	1.7323	1.7323				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Dec. 14

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8⅜-8⅝	7⅞-8	8⅝-8¾	15-15⅛	10 ¼-10 ⅜	6⅝-6¾	10⅞-11	8⅞
2 months	8 7/16-8 9/16	7 15/16-8 1/16	8½-8⅝	15-15⅛	10⅜-10½	6 9/16-6 11/16	10⅞-11	8⅝
3 months	8 7/16-8 9/16	8 1/16-8 3/16	8 7/16-8 9/16	15⅛-15¼	10½-10⅝	6½-6⅝	10 15/16-11 1/16	8⅞
6 months	8⅜-8½	8⅛-8¼	8⅜-8½	14⅞-15 1/16	10½-10⅝	6½-6⅝	10 15/16-11 1/16	8 ¾
1 year	8⅛-8¼	8 3/16-8 5/16	8 5/16-8 7/16	14 13/16-14 15/16	10½-10⅝	6⅜-6½	10 13/16-10 15/16	8 ¾

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Dec. 14

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10½	10½
Federal funds	8½	8 9/16
Com paper 90-179 days	7½	7½
3-month Treasury bills	7.61	7.69
6-month Treasury bills	7.38	7¾
1-year Treasury bills	7.21	7¼
30-year Treasury bond	103 3/32	102 23/32
2-month CD's	8.10	8.00
3-month CD's	7.95	7.90
Japan		
Discount rate	3¾	3¾
Call money	6⅛	6 5/32
1-month interbank	6 19/32	6 9/16
3-month interbank	6 17/32	6 17/32
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	7.45	7.60
1-month interbank	7.95	8.00
3-month interbank	8.00	8.05
6-month interbank	8.10	8.15
Britain		
Bank base rate	15.00	15.00
Call money	15⅛	15 3/16
3-month interbank	15⅛	15¼
6-month interbank	15 1/16	15.00
France		
Intervention rate	9½	9½
Call money	10 7/16	10⅛
1-month interbank	10 5/16	10⅛
3-month interbank	10½	10 9/16
6-month interbank	10 9/16	10 9/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Dec. 14

1 month	8 7/16 - 8 9/16
2 months	8 7/16 - 8 9/16
3 months	8½ - 8⅝
6 months	8 7/16 - 8 9/16
1 year	8⅛ - 8¼

Source: Reuters.

U.S. Money Market Funds

Dec. 14

Merrill Lynch Ready Assets
30-day average yield: 8.14
Telerate Interest Rate Index: 8.216
Source: Merrill Lynch, Telerate.

GOLD

Dec. 14

	A.M.	P.M.	Ch'ge
Hong Kong	408.05	409.25	— 5.70
Luxembourg	409.50	—	— 6.95
Paris (12.5 kilo)	408.60	408.77	— 7.34
Zurich	408.95	408.50	— 4.35
London	409.45	408.50	— 4.50
New York	—	408.50	+ 0.25

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Among Cognac Giants, a Family Persists

By Kyle Jarrard
International Herald Tribune

PARIS — Every day at 11:30 A.M., a series of vials are opened and the aroma of cognac fills a small upstairs room at Delamain & Co. The three men present pass quiet judgment on the various samples being offered for sale, or perhaps study a possible blend, and soon adjourn for lunch.

In an age of cognac giants being swallowed up in international mergers, the daily ritual could seem a minor event. But for Alain Braastad-Delamain, his cousin, Patrick Peyrelongue, and the *maître du chai*, or cellar master, the future of fine cognacs is at stake.

The work session takes place "at the same hour, with the same people, using the same vocabulary," Mr. Braastad-Delamain said. This consistency, he said, is the first ingredient of a high-quality cognac.

But while Delamain has made excellence its *raison d'être*, beverage analysts say that in a market where big producers are increasingly focusing on quality, the future of small traders is less than assured.

Tucked away on a side street in Jarnac, near the west-central city of Cognac, Delamain is one of the last small, family-held cognac houses. Formally established in 1824, it also is among the oldest in the industry.

As Mr. Braastad-Delamain tells it, the company of 20 employees he co-manages with his cousin survives as an act of will.

Although Delamain owns no vineyards and advertises only by word of mouth, a takeover offer surfaces about every three months — and is politely spurned.

"It's always been out of the question," Mr. Braastad-Delamain said. "I'm sure it would mean the end of Delamain.

Delamain has never been interested in adopting the big-volume philosophy of such leading producers as Hennessey & Co., which last year produced 33 million bottles of cognac, or E. Rémy Martin & Co., which made 21 million.

Instead, it has remained a specialist, buying, aging and blending cognacs made exclusively from grapes grown in the *grande champagne* region — the finest of the six official cognac districts.

In 1988, Delamain sold an estimated 600,000 bottles of cognac, and revenues progress at a modest pace each year, Mr. Braastad-Delamain said.

Sylvain Massot, a food and beverage analyst at UBS/Philips & Drew in London, said the niche that Delamain has carved out for itself could come under fire over the next few years.

"There is a movement toward quality among the top names, such as Rémy Martin and Hennessy, and the percent of top quality cognacs is on the uptrend," he said.

Delamain's five grades vary in price from 230 francs ($39) to 900 francs a bottle, an average range for *grande champagne* cognacs. Delamain cognacs are sold in about 60 countries. The strongest export market is the United States.

The company does not distill cognac and has no standing contracts with producers. Instead, growers come to Delamain with their samples.

"We taste it and then decide," said Mr. Braastad-Delamain, 50, who was been refining his art for 30 years. "To sell to Delamain is good for the producer's image."

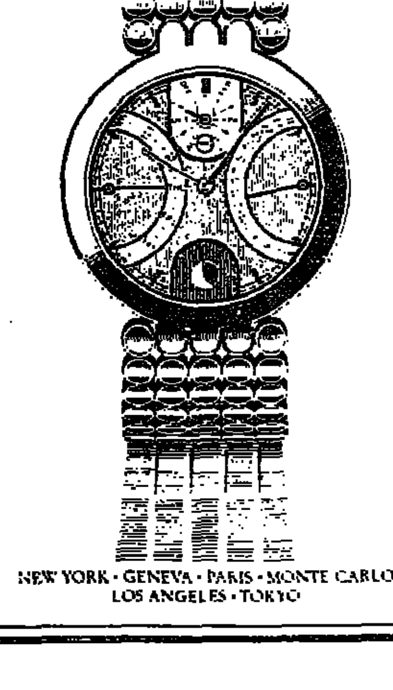
Josette Lahon, who follows the French beverages market for the Paris broker Puget SA, said one of the biggest problems for small cognac houses is that "they don't have the means to advertise." Given this, she said, "whether they can be competitive is the big question."

What the others do looms large, especially after the recent takeovers of the biggest cognac houses. Hennessey has been absorbed into the luxury goods group LVMH Moët Hennessey-Louis Vuitton, Martell & Co. into Seagram Co. of Canada and Courvoisier SA into Allied Lyons PLC of Britain.

These and the merger earlier this

See COGNAC, Page 15

HARRY WINSTON
The Ultimate Timepiece



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NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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(Continued on next page)

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A Globe-Girdling Air Alliance

Swissair and Singapore Airlines Join Hands With Delta

Compiled by Our Staff From Dispatches

ZURICH — In a deal that forms the final link of a triangular alliance spanning the globe, Swissair and Singapore Airlines on Thursday announced a cooperation agreement that involves cross-shareholdings.

The two airlines said in a joint statement that they planned to finalize a cross-equity investment of up to 5 percent of each other's share capital in the next 12 months. The airlines already have a common U.S. partner, Delta Air Lines.

"This trilateral alliance provides for the first truly global airline system — an alliance of real quality, comprising three of the world's best airines with a combined network spanning all continents on the globe with 237 destinations in 64 countries," said SIA's deputy chairman, Lim Chin Beng.

Delta's strong U.S. presence, Swissair's extensive route network in Europe and Africa, and SIA's destinations in Asia make the alliance a powerful one, he added.

Under the deal, the airlines plan to coordinate schedules between Switzerland and Singapore, as well as neighboring areas. Close cooperation was also planned in the marketing field, service operations conducted by both carriers, and joint use of facilities.

The memorandum of understanding was signed by SIA's Mr. Lim, the Swissair chairman Armin Baltensweiler and the Swissair president Otto Loepfe.

"This worldwide, triple partnership opens up new and highly promising perspectives," Mr. Loepfe said. "We expect this cooperation to provide positive impulses for greater market growth and yield considerable synergical benefits at all levels of activity."

SIA and Delta, the third-largest U.S. carrier, agreed in October on investments of about $180 million in each other.

Swissair and Delta agreed earlier this year to exchange 5 percent equity stakes as part of an agreement to cooperate on scheduling, marketing and reservation systems.

Swissair and Scandinavian Airline System said in September they would swap stakes of between five percent and 10 perent to achieve what they called the first major European airline alliance.

Swissair has 55 aircraft serving 110 destinations in 68 countries. It carried a total of 8.1 million passengers and 267,000 tons of cargo in 1988, the statement said.

By comparison, Singapore Airlines operates 39 aircraft to 57 points in 37 countries. It carried6.2 million passengers and 240,000 tons of cargo last year.

Joerg Lorenz, an airlines analyst at Handelsbank Natwest in Zurich, said the partnership came as no surprise because both Swissair and SIA routinely get high ratings in surveys of frequent flyers.

Their routes have very little overlap. Swissair's strong European network of destinations complements SIA's presence in Asia and the Pacific Rim, he said. Partnerships offer the best growth chances because political factors tend to prevent takeovers of flag carriers, Mr. Lorenz said.

(Reuters, AP)

Gas Price Leads Pickens To Halt Mesa Dividends

The Associated Press

DALLAS — Mesa Limited Partnership, the energy company run by the takeover strategist T. Boone Pickens, announced Thursday that it would stop paying unitholders a cash distribution next year because of low prices for natural gas.

Mesa said it would pay its 37.5 cents distribution for the fourth quarter, but "discontinue cash distribution to the common units until industry conditions and cash flow improve." Natural gas accounts for 80 percent of Mesa's holdings.

The news sent Mesa units tumbling in active trading on the New York Stock Exchange, where the price fell $1.125 to $7.875.

"The drop in natural gas prices has clearly been a problem for Mesa, as it has been for the entire industry," Mr. Pickens said in a letter to unitholders.

On Thursday, he said that in 1985, the Mesa partnership's average gas price was $2.68 per thousand cubic feet and has declined each year to an average of about $1.65 per thousand cubic feet in 1989. If prices had held at $2.68, he said, cash flow would have been $400 million greater.

Mr. Pickens said the distribution policy would be reviewed quarterly. The cut does not affect preference unitholders, who will continue to receive 37.5 cents for six additional quarters.

The announcement is the second time this year Mesa has cut its distribution. In March, the partnership cut its payout from 50 cents per unit. To maintain that high distribution, Mesa had used stock profits and asset sales to cover any gaps.

In an effort to reduce debt, Mesa also announced Thursday the creation of a Hugoton Royalty Trust made up of Mesa's holdings in the Hugoton field in Kansas, the largest natural gas field in the United States. Mesa said the interest will be sold in a public offering next year and is expected to bring in $300 million.

AT&T Proposes Hookup With Soviet Satellite

The Associated Press

WASHINGTON — American Telephone and Telegraph Co. has proposed using a Soviet satellite network in a move that could potentially triple telecommunications traffic between the United States and the Soviet Union.

The plan, if approved by the Federal Communications Commission, would route AT&T's operator-assisted, direct-dialed, data and video services onto the Intersputnik satellite system.

AT&T said U.S.-Soviet telephone traffic has increased 140 percent in two years. The company said Wednesday that the use of Intersputnik had the potential of tripling telecommunications capacity between the two countries.

AT&T currently has the only Western phone facilities to the Soviet Union. The traffic is carried on 35 circuits by undersea cable and land lines, as well as the Intelsat satellite consortium.

Matsushita To Acquire U.K. Firm

Compiled by Our Staff From Dispatches

TOKYO — Matsushita Electric Industrial Co., a major Japanese consumer electronics maker, said Thursday it will buy Office Workstations Ltd., a British firm specializing in computer software development, for 1.8 billion yen ($12.5 million).

The Matsushita spokesman, Ryoji Tanaka, said the purchasing contract will be signed Monday in Japan between the Osaka-based Matsushita and the Edinburgh-based Office Workstations.

It will be Matsushita's first purchase of a foreign firm in 15 years, Mr. Tanaka said.

"Office Workstations will become the center of our European software development," he said.

Under a basic agreement, Matsushita will obtain 61.7 percent of the Edinburgh company's total shares from four major stockholders, who hold a combined total of 69 percent of the firm's stock, Mr. Tanaka said. Matsushita will buy up the remaining shares during the next five years, he said.

Matsushita, whose products in overseas markets are known under such brands as National and Panasonic, made its full-fledged entry into the computer business this year.

The company is about to begin European sales of a laptop personal computers and plans to sell workstations there in the coming years.

(AP, Reuters)

2 Campeau Units See Cash Squeeze

Compiled by Our Staff From Dispatches

NEW YORK — Campeau Corp.'s rocky 18-month foray in American retailing has run into its biggest cash squeeze yet, forcing its U.S. subsidiaries, Federated Department Stores and Allied Stores, to say they may have to seek bankruptcy court protection.

Federated and Allied own Bloomingdale's, Jordan Marsh and other national store chains.

The two companies said Wednesday in quarterly financial statements to the Securities and Exchange Commission that they expected to run short of cash to make their debt payments, possibly as soon as late January. The two companies said that the cash problem could result from payments and interest due on $5.04 billion in debt and inability to obtain loans.

The Chicago-based factoring company Heller Financial Inc. reacted to the news Thursday by discontining all lines of credit to the stores' suppliers. Factoring involves companies buying accounts receivable and collecting the money due.

Federated said its highly-leveraged financial state and possible reaction to publicity about its potential liquidity needs make it extremely difficult to predict its actual liquidity needs. Federated expects to begin discussions soon with some of its major creditors about a possible financial restructuring to reduce its overall debt and increase its liquidity.

The company said there could be no assurance that any such agreement will be reached.

If Federated is unable to restructure its obligations in time, it will consider selling additional assets or raising funds through a mortgage financing, which would also most likely be part of a financial restructuring.

The statements also said Allied and Federated expected to refinance that debt soon to give them more time to make the payments. If that failed, the companies said they would consider selling additional assets besides the 17-store Bloomingdale's chain, which Campeau put up for sale in September, or raise money by taking out mortgages on their stores.

But if the two companies cannot meet their obligations, they said they "might be forced to seek protection from creditors under the bankruptcy laws."

Campeau shares dropped as much as $1.40, to $3.40, before stabilizing around the $3.95 mark, down 85 cents on Thursday.

Analysts said the Allied and Federated units will have to make major changes to survive.

"They'll have to sell substantial assets, may have to put up substantial equities and pray like hell that the retail merchandising market picks up," said Harry Rannala, analyst with McLean McCarthy Ltd.

(NYT, Reuters, AP)

Acquiring Avis Europe: Endless Snags

By Sarah Bartlett
New York Times Service

NEW YORK — Avis Europe PLC provides an object lesson in how acquisitions in Europe can present a dizzying array of problems and challenges that can have large effects on a deal's ultimate cost.

With a palpable slowdown of debt-financed takeovers in the United States, Wall Street merger experts view the prospect of an integrated European market in 1992 and closer ties with a newly-emerging Eastern Europe as providing their next frontier. But the recent experience of Avis Europe PLC shows how complicated life on the frontier can be.

Until recently, Avis Europe was an independent company that had been spun off from its parent in 1986, when the rental car concern underwent a leveraged buyout.

This summer, a consortium of Avis Inc., General Motors Corp. and Lease International, a Belgian company, decided to acquire the company in a $1.6 billion transaction. As a result, Avis now owns about 9 percent, GM 26 percent and their Belgian partner 65 percent.

To acquire the company, and allow for a healthy increase in working capital, the consortium intends to arrange a permanent loan of about $2.5 billion, and therein lies the problem.

The consortium's headquarters, and therefore the logical source of the debt, are in London. Yet British interest rates are around 14 percent, 5 percentage points higher than those in France and 7 percentage points higher than those in West Germany, to name but two of the many other countries where Avis operates and where much of the income to service the debt will be generated.

There were other reasons to get the debt out of Britain. Among them was that if the debt was more equally distributed across the Continent and serviced with local currency, the consortium could minimize its exposure to currency fluctuations.

"There was a substantial benefit to getting the debt down to the operating entities," said Louis Perlmutter, a senior partner at Lazard Freres & Co., which structured the transaction. But that was no simple matter.

Each of the more than 11 other countries has a different set of laws governing how much money can be transferred out of the country, how much debt can be assumed by a local subsidiary, and how much interest they will allow to be deducted from corporate taxes.

To be sure, as 1992 approaches, many of these corporate and accounting conventions are likely to become more standardized, and recent discussions about a common currency and central bank could ultimately lead to a far simpler deal-making environment.

In addition, few European companies have the breadth of operations that Avis has.

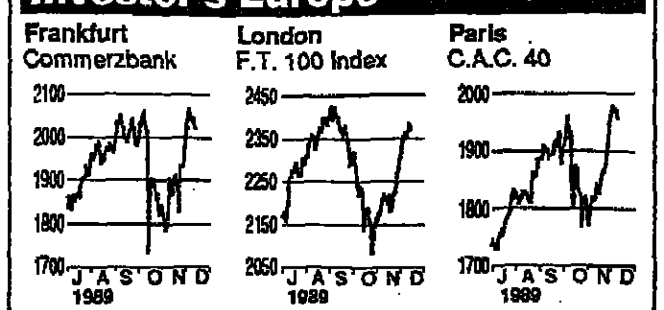
Nevertheless, the acquisition of a company that operates in even two or three European countries will result in many of these same considerations, and in the interim period when many highly-leveraged transactions are likely to be consummated, issues like those that Avis faced are likely to be similar for many other potential acquirers.

"These kinds of transactions will have increasing applicability in the future," said Charles E. Golden, the treasurer of General Motors.

To facilitate the Avis transaction, Lazard designed a computer model to figure out the optimal placement of debt to minimize taxes, maximize the effect of lower interest rates and avoid running afoul of corporate laws on currency and dividend outflows.

The solution arrived at, after nearly 10 weeks of analysis, was the equivalent of 10 leveraged buyouts.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	CBS General	183.60	184.30	-0.38
Brussels	Stock Index	6420.37	6443.28	-0.36
Frankfurt	Commerzbank	2020.90	2024.00	-0.15
Frankfurt	DAX	1625.77	1638.54	-0.78
Helsinki	UNITAS	616.00	617.50	-0.24
London	Financial Times 30	1871.40	1880.10	-0.46
London	FT-SE 100	2367.00	2386.20	-0.80
Madrid	General Index	303.00	303.03	-0.01
Milan	MIB	1138	1119	+1.70
Paris	CAC 40	1954.62	1960.42	-0.30
Stockholm	Affaersvaerlden	1155.60	1152.70	+0.25
Zurich	SBS	653.80	655.20	-0.21

Sources: Datastream, AFP International Herald Tribune

BNL Credits for Iraq Involved Italian Offices

Reuters

ROME — Employees at Italian offices of the state-owned Banca Nazionale del Lavoro appear to have been involved in nearly $3 billion of unauthorized financing for Iraq organized by the bank's Atlanta, Georgia office, Treasury Minister Guido Carli said Thursday.

While Mr. Carli said that he had "no conclusive evidence" that the financing supplied was for military purposes, he conceded that funding that could possibly have military applications amounted to $116 million out of the total Iraqi financing of $2.867 billion.

BNL officials have said previously that the unauthorized Iraqi loans were negotiated solely by the Atlanta branch, and that any responsibility of the bank's Italian offices arose from failure to supervise the Atlanta branch rather than from any direct involvement in the deals.

But Mr. Carli, speaking to a government finance committee, said that "from documents examined in the course of enquiries, the conclusion emerges that some of the business deals developed by the Atlanta branch which involved Italian companies had frequent input from Italian branches and the financial and credit departments of BNL head office."

Mr. Carli cited a deal for the Italian steel company Danieli & Co., which initially contacted a BNL office in Italy before finding its request channeled through BNL's Atlanta branch.

Mr. Carli said that Christopher Drogoul, fired in September as director of BNL's Atlanta office, had told investigators in Atlanta that he had come under pressure from a senior official in the finance division of BNL's Rome head office to process the Danieli deal.

Mr. Carli added that Mr. Drogoul had said two BNL head office employees had been aware of the accounting devices being used by the Atlanta office.

Mr. Carli also gave an updated account of BNL's exposure to Iraq, saying the $2.867 billion comprised $1.798 billion of financing for the Iraqi central bank and the Baghdad-based Rafidain Bank, $520 million of guarantees for letters of credit issued by the Iraqi central bank, and about $550 million of other credits.

DSM Says it Does Not Rule Out Merger Deal

Reuters

AMSTERDAM — DSM NV, the Dutch chemical company, said Thursday it did not rule out a merger with another chemical company in the future and added that the its rival Dutch chemical concern Akzo NV would be a logical partner.

"You are more likely to embark upon such an adventure with a Dutch company than with a foreign party," the DSM chairman Hans van Liemt said in a Dutch newspaper paper.

Eurotunnel Train Contract Set for 3 National Railroads

Compiled by Our Staff From Dispatches

PARIS — The French, British and Belgian national railroad companies are to sign a contract with a European consortium on Monday for 30 high-speed trains for the tunnel under the English Channel, it was announced Thursday.

The British rail network is to take 14 of the trains, each with 18 carriages, the French network 13 and the Belgian network the remaining three, the French and Belgian companies said.

The contract with the consortium, led by CEG-Alsthom, is worth 5.9 billion francs ($999 million).

The rail companies planned to order 20 more trains later, the French railroad company, Société Nationale de Chemins de Fer, said.

The trains have had to be adapted from those used on France's high-speed rail network to be able to operate on both the French 25,000-volt system, the Belgian 3,000-volt system and the 750-volt system in Britain, which does not have a high-speed rail network.

Added to Eurotunnel SA's financing problems is possibility of a costly ruling by the Inter-governmental Commission, an Anglo-French body that meets next week. It will consider construction and safety aspects of the tunnel, including the key question of whether to "segregate" passengers from their vehicles on the cross-channel rail link.

"This is crucial to the whole future of the operation," a British government official said in London. "The project was put forward as a nonsegregated vehicle shuttle."

This official, who asked not to be named, said that if the commission came out in favor of segregation, it could slow down the journey time of the cross-channel link by having to shepherd people back and forth from their vehicles.

Clive Anderson, an analyst at the London-based broker Kitcat & Aitken, said, "It seems somewhat strange that such a major issue wasn't resolved before construction had reached this advanced stage."

Mr. Anderson said a ruling for segregation would probably require Eurotunnel to modify the design of its rolling stock and would slow down loading and unloading of passengers.

The channel crossing is already facing a possible slowdown in journey time as a cost-cutting measure. Eurotunnel is considering a cut in train speed through the tunnel to 75 miles an hour (120 kilometers an hour) from 100 miles an hour. This would save about £400 million ($639 million) by requiring less sophisticated cooling and signaling systems, but it would also run contrary to Eurotunnel's emphasis on a fast European rail connection by adding about three minutes to the channel crossing.

Rupert Darwall, an analyst at Swiss Bank Corp. in London, said he thought the commission would not call for major changes in Eurotunnel's specifications.

"They might ask for further safeguards on narrow aspects of tunnel traffic," he said. "But it is a crucial period for Eurotunnel."

(AFP, Reuters)

U.K. Weighs New Rule On Goodwill Accounting

Reuters

LONDON — The body that rules on Britain's accounting methods is likely to approve a key change that will require goodwill to be written off against earnings when one company buys another, the panel's chairman said Thursday.

U.K. practices now allow an acquiring company to write off the goodwill element against net worth in its balance sheet.

Michael Renshall, who heads the Accounting Standards Committee, said there were indications that there was a "sufficient majority" on the committee for the proposals to be published after Jan. 1.

Goodwill is represented by the part of the purchase price which exceeds tangible assets, such as plant and equipment, when a company makes an acquisition. Goodwill is particularly significant with service companies that often lack much in the way of tangibles.

The proposals, if finally adopted after a period of public discussion, will follow widespread international practice. An immediate impact will be a drop in reported profits for those companies that have made hefty goodwill-oriented acquisitions.

COGNAC: *Keeping It in Family*

(Continued from first finance page)

month of two spirits groups, Rémy Martin and Cointreau SA, have transformed the industry.

Mr. Massot said, "The changes are fast-paced, and the methods that have worked for the last 100 years may not work 10 years from now.

"I wouldn't say that a company like Delamain can't survive," he added. "But as long as the big companies continue to put out a good product, there is the risk that the small companies will become marginal."

Philippe Gautier, a financial analyst at the Magnin SA brokerage in Paris, said the companies acquired should benefit quite well from "the broader distribution network" of their new parent companies. But he said the takeover price was a drawback for some, especially for Martell. "Getting a return on their equity will take a long time," he said.

The key to continued expansion, Mr. Massot said, was the Far East, where cognac sales in Japan alone climbed 20 percent last year.

Delamain, too, is focusing on Japan, but so are several dozen other cognac producers in the *grande champagne* region.

Mr. Braastad-Delamain appears unperturbed. For him, the best defense lies in the Delamain cellars, where under 12th-century vaults barrel after barrel is imbued with the secret ingredient of the best cognacs — time.

NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]	8⅞	TCF Fn	.40	2.9	9	28	14	13⅞	13⅞	−⅛
[illegible]	7⅛	TCW	.84	9.9	—	215	8½	8¼	8½	+⅛
[illegible]	29¾	TDK s	.12t	.3	—	1	39½	39½	39½	+⅛
[illegible]	21	TECO	1.52	5.4	12	870	28¾	28	28¼	−½
[illegible]	10¾	TGIF		—	19	87	14⅝	14⅝	14⅝	
[illegible]	5½	TIS	1.22e	15.3	—	154	8⅛	8	8	−⅛
[illegible]	14⅛	TJX	.40a	2.7	99	3331	15⅛	14⅞	14⅞	−⅛
[illegible]	19	TNP	1.55	7.0	9	51	22	21⅞	22	
[illegible]	41	TRW	1.72a	3.5	12	2137	49¾	49	49	−¼
[illegible]	1/64	TacBt		—	31	2564	1/32	1/32	1/32	—
[illegible]	27⅞	Taiwan	14.75e	33.4	—	177	44⅛	44	44⅛	—
[illegible]	9⅛	Talley	.50	4.5	5	142	11⅛	11⅛	11⅛	−⅛
[illegible]	52⅝	Tambd	2.08	3.0	20	1250	69½	68⅞	69	+⅛
[illegible]	14¼	Tandem		—	19	4755	22⅞	22⅜	22⅜	−½
[illegible]	28½	Tandy	.60	1.6	10	8275	38⅝d	37⅞	38⅛	−1¼
[illegible]	12⅞	Tndycft		—	13	3	17	16⅞	17	—
[illegible]	9¼	TchSym		—	13	846	9½d	9	9⅛	−⅜
[illegible]	16⅛	Tektrnx	.60	3.6	43	674	17	16½	16⅝	+¼
[illegible]	1⅛	Telcom		—	41	22	1⅜	1⅜	1⅜	—
[illegible]	17½	TlcmUS		—	24	981	24⅛	23¾	23⅞	−⅜
[illegible]	317½	Teldyn	4.00	1.2	13	96	342⅞	337½	342⅞	+4¼
[illegible]	22½	Telef	1.08e	4.5	13	3402	24⅛	24⅛	24⅛	−¼
[illegible]	13¼	Telerte	.32	1.5	23	56	20⅞	20⅝	20⅝	—
[illegible]	46⅝	Templl	1.16	1.8	8	674	64	62⅞	63¼	−½
[illegible]	7⅝	TempIE	.39e	2.4	—	217	13⅜	13½	13½	−½
[illegible]	8¼	TpGGv	1.02	11.5	—	577	8⅞	8¾	8⅞	—
[illegible]	8⅛	TmpGlb	1.02	11.7	—	2507	8⅞	8¾	8⅞	+⅛
[illegible]	8¼	TmplVl n	.43e	4.5	—	317	9⅝	9½	9½	—
[illegible]	46⅞	Tenneco	3.04	4.9	18	1889	62⅞	61⅞	61⅞	−⅞
[illegible]	9⅞	Terdyn		—	113	1309	10⅛	9⅞	10⅛	—
[illegible]	3⅝	Tesoro		—	—	225	9⅝	9¼	9¼	−⅛
[illegible]	17¼	Tesor pf	2.16	—	—	63	18⅛	17⅞	17⅞	−⅛
[illegible]	48½	Texaco	3.00a	5.4	12	7949	56⅜	55⅞	55⅞	−⅜
[illegible]	47⅞	Txc pfC		—	—	202	48⅛	48	48	—
[illegible]	24½	TexInd	.80b	3.1	—	8	25⅞	25⅞	25½	+⅛
[illegible]	28⅛	TexInst	.72	2.0	9	2836	35⅞	35¼	35¼	−⅜
[illegible]	30½	TxPac	.40	1.0	58	29	38⅞	38½	38½	−½
[illegible]	27⅞	TexUtil	2.92	7.9	9	3392u	37⅛	36½	36⅞	+⅛
[illegible]	5½	Textfi		—	6	1016	8⅛	7½	7⅝	−1⅛
[illegible]	22⅝	Textron	1.00	4.1	8	1608	24⅝	24	24¼	+¼
[illegible]	50	Textr pf	2.08	4.0	—	1	52½	52½	52½	−2
[illegible]	47	Textr pf	1.40	3.3	—	3	43	43	43	−⅜
[illegible]	11⅞	Thai	.29e	1.1	—	180	26⅛	25⅞	25⅞	−⅜
[illegible]	17⅜	ThrmEl		—	25	481	32	31⅝	31⅞	−⅛
[illegible]	12½	Thiokl d	.30	2.4	—	491	12½	12⅜	12⅜	+⅛
[illegible]	46	ThmBet	2.00	4.2	15	640	47⅞	47½	47½	−½
[illegible]	17⅜	Thomln	.76	3.8	12	15	20¼	20	20⅛	+¼
[illegible]	6⅛	TMAM	1.31e	16.6	6	178	7⅞	7⅝	7⅞	—
[illegible]	9½	Thorlnd	.12	1.2	15	x10	10⅛	10⅛	10⅛	+⅛
[illegible]	⅜	Thortec		—	—	50	½	⅜	⅜	−⅛
[illegible]	6⅞	Tidwtr		—	—	1727	14⅛	13⅞	14⅛	−⅛
[illegible]	24⅛	Tiffany s	.20	.4	24	x374	48⅞	46⅝	47	−1⅜
[illegible]	96½	TimeW	1.00	.8	385	2705	128	124⅝	124⅝	−3¼
[illegible]	44⅛	TmW pfC		—	—	3422	44⅝d	43⅝	43⅝	−⅞
[illegible]	43¼	TmW pfD		—	—	2770	43 d	42¼	42⅛	−⅞
[illegible]	31⅛	TmMir	1.08	3.0	14	1376	36	35⅛	36	+½
[illegible]	25½	Timken	.92	3.5	8	189	26⅞	26½	26⅝	−¼
[illegible]	1⅜	Titan		—	—	172	2⅜	2¼	2⅜	—
[illegible]	1⅞	vjTodSh		—	—	110	4⅝	4⅛	4⅛	−½
[illegible]	9¼	vjTdS pf		—	—	20	19	19	19	−⅜
[illegible]	17⅛	Tokhem	.56	2.8	25	28	20½	20¼	20⅜	—
[illegible]	24⅜	TolEd pf	2.81	10.6	—	25	26½	26½	26⅝	−⅛
[illegible]	21⅞	TolEd pf	2.36	9.5	—	5	24⅞	24⅞	24⅞	+¼
[illegible]	3⅛	TollBro		—	6	473	3⅜	3¼	3⅜	—
[illegible]	8½	Tonka		—	8	2206	11⅛	10⅞	11½	+⅛
[illegible]	25	TootRl	.23b	.6	18	5	38¼	38¼	38¼	—
[illegible]	33	Trchmk	1.40	2.5	14	772	58⅜	56½	56⅝	−1⅞
[illegible]	18⅞	Toro	.48	1.9	13	94	24⅝	24½	24⅝	+⅜
[illegible]	15	Tosco s	.60	2.6	16	528	23⅞	23⅛	23⅛	−¼
[illegible]	40⅝	Tosco pf	2.37	3.9	—	9	61⅞	61¼	61¼	−⅜
[illegible]	17¼	TotlSys		—	38	8	26	25⅞	26	+⅛
[illegible]	23½	TovRU s		—	26	5810	36⅛	35⅝	36⅜	+⅜
[illegible]	4⅜	Tramel	.98e	21.8	—	383	4⅝d	4½	4½	−⅛
[illegible]	15	TWA pf	2.25	13.8	—	146	16⅝	16½	16⅛	−⅛
[illegible]	32¼	Transm	1.92	4.4	10	1786	44⅝	43⅞	43⅞	−⅞
[illegible]	20⅛	Traninc	2.16	9.1	11	5	23⅞	23⅞	23⅞	—
[illegible]	10⅛	TrCda g	.68	4.8	—	241	14⅜	14¼	14¼	−⅛
[illegible]	5	Trnscap	1.69e	27.6	—	8	6⅛	6⅛	6⅛	−⅛
[illegible]	33⅞	Transco	1.36	2.8	—	254	49⅛	48⅞	48⅞	−¼
[illegible]	47	Trnsc pf	4.75	8.9	—	2	53⅛	53⅛	53⅛	+⅛
[illegible]	3⅜	TranEx	9.85c	—	5	489	3⅜	3⅛	3⅛	—
[illegible]	⅞	TransCR		—	—	128	2⅜	2	2⅜	—
[illegible]	2⅝	TrnRty	.70	28.7	—	96	3⅜	3⅛	3⅜	+⅛
20	10⅜	TrnsTec	.96	8.7	20	255	11⅛	11	11	−⅜
45	34⅛	Travler	2.40	6.3	10	2807	38¼	38	38¼	+⅛
17⅞	12⅞	Tradar n	.24	1.6	—	79	15⅜	15⅛	15⅛	−⅛
23¼	17⅜	TriCon	3.16e	13.9	—	338	22⅞	22⅝	22¾	−⅛
30⅜	26½	TriCn pf	2.50	8.6	—	4	29	29	29	
63⅛	36⅜	Tribune	.88	1.9	15	1052	47	46⅝	46½	−½
46	30⅞	Trinty	.80	2.3	14	502	34⅞	34	34⅞	+⅜
30⅜	21	Trinova	.68	2.9	22	1280	23⅞	23	23¼	+½
16¼	12½	TritonG				123	12⅞	12½	12½	
18	11⅞	TriilEng	.10b	.6	12	107	16½	16	16⅜	+⅛
25⅜	19½	TrlllE pf	2.00	8.3	—	5	24	23⅞	24	+⅜
50⅜	16⅛	TucsEP	1.60	8.8	—	2375	18⅝	17⅞	18⅛	−⅜
14⅝	7⅛	Tultex	.36	3.9	16	224	9¼	9	9⅛	—
12⅞	9⅝	Turk n				776	10⅛d	9⅞	9⅞	−⅛
35	21½	TwinDs	.90	3.8	3	1	23½	23½	23½	−½
53⅞	32¼	TycoLb	.32	.6	22	1039	52⅞	52	52⅛	−⅜
7¼	4⅜	Tyler n	.08	1.2	—	225	6⅝	6¼	6⅝	−⅛
		U-V								
[illegible]	105⅜	UAL Co			8	4389	168½	161½	162½	−6¼
28⅞	24⅛	UDC pf	3.75	15.6	—	32	24⅛d	23⅞	24	−⅛
27	17⅞	UDC	2.40a	11.5	5	199	21⅜	20⅞	20⅞	−1
25⅜	22⅜	UDC pf				55	22⅝	22¼	22½	
40⅛	28⅝	UGI	2.25	6.8	12	25	37⅜	37⅜	37⅜	−¼
28⅞	18	UJB Fn	1.16	5.9	7	5785	19⅞	19⅜	19⅝	−⅛
9⅞	5	UNCInc			6	910	6	5⅞	5⅞	
49	26⅜	UNUM	.60	1.3	13	334	47	46¼	46⅜	−½
34	28¼	USFG	2.80	9.4	27	2442	29⅞	29⅝	29¾	+⅛
46½	40	USFG pf	4.10	9.5	—	249	43½	43¼	43⅜	+⅛
7⅞	2⅞	USG			4	1040	5	4⅞	4⅞	−¼
25⅞	21¼	USLICO	1.00	4.4	8	1082	22⅞	22½	22⅝	+⅛
30⅜	19⅝	UST s	.92	3.1	19	4744	30⅜	29	30	+⅜
39½	28⅛	USX	1.40	3.9	11	6474	35⅞	35⅝	35⅞	+⅛
49⅝	44½	USX pf	4.65e	10.3	—	73	45⅝	45⅛	45½	−⅛
56	45⅜	USX pr	3.50	6.8	—	173	52	50½	51⅞	+⅛
12¼	7¼	Ultimte			12	367	9¼	9	9	
22⅜	12¼	UniFst s	.12	.5	21	8	22⅜	22⅛	22⅛	
46⅜	32⅛	UnHevr	1.21e	2.6	14	181	46	45⅝	46	−⅜
82⅜	56⅞	UniNV	2.00e	2.5	15	1047	82⅛	81⅛	81¼	−1
41⅞	32	UnCmp	1.48	4.1	8	976	36⅛	36¼	36¼	
35⅝	23	UCarb	1.00	4.2	5	4484	23⅞	23½	23⅝	+⅛
21⅜	12	UnionC			13	141	19⅞	19⅜	19⅝	−⅛
28½	23	UnElec	2.08	7.4	12	736	28⅛	28	28⅛	
58	44¼	UnEl pf	4.50	9.2	—	z250	49	49	49	−1
53½	45	UnEl pf	4.56	8.7	—	z500	52⅜	52¼	52¼	+¼
91½	82	UEl pfL	8.00	8.9	—	z100	89⅞	89⅞	89⅞	
87	74	UnEl pf	7.44	8.8	—	z50	84⅜	84⅜	84⅜	−1⅜
19¼	12⅛	UnExp	1.82e	10.0	19	214	18⅛	18	18¼	+⅛
81	62⅜	UnPac	2.32	3.0	14	2408	77⅛	76⅝	76¾	−⅜
15⅜	11	UPlnlr s	.48	4.1	23	115	11⅝	11½	11⅝	
18⅜	10⅜	UnTex	.20	1.1	12	225	17⅜	17⅜	17⅜	
24½	13	UnledF	.44	2.6	4	10	17⅛	17⅛	17⅛	−⅛
30½	12⅜	Unisys	1.00	6.7	—	18172	15	14⅞	14⅞	+½
54½	31	Unisy pf	3.75	10.1	—	1220	37⅛	36⅝	37⅛	+⅜
3⅞	1⅞	Unit		—	—	361	3⅞	3⅝	3½	−⅛
21¼	13⅜	UAM	.36	1.9	21	270	19⅜	18⅞	19⅛	+½
17¼	12⅜	UBrand	.20	1.2	9	182	17¼	17	17¼	+¼
33	24⅜	UIllum	2.32	7.1	5	380	32⅝	32⅜	32⅜	−⅛
23⅞	20	UIllu pr	2.20	9.5	—	z600	23½	23	23⅛	+⅛
15⅜	11⅛	UnitInd	.64	5.5	14	738	11⅝	11½	11⅝	
31⅞	20⅜	UnitInn		1.0	—	7	23¼	23⅛	23⅛	−⅜
11½	8½	UKing	.50e	4.8	—	112	10⅝	10¼	10⅜	+⅛
5⅛	2⅞	UtdMM		—	—	8	2⅞	2¾	2⅞	
2⅛	1⅛	UPkMn		—	—	11	1⅜	1⅜	1⅜	−⅛
54⅝	33⅞	UsairG	.12a	.3	27	3037	35⅜	34⅞	35	−⅜
2¼	1	USHom		—	—	1397	1⅜	1¼	1⅛	—
27½	16⅝	USShoe	.46	2.2	19	2804	21⅞	21½	21⅝	—
61¼	27⅞	US Surg	.80	1.4	23	61	56½	56	56¼	−½
76½	56¼	USWest	3.76	4.9	14	2501u	77	76¼	76⅝	+¼
57⅞	39⅞	UnTech	1.80	3.0	11	1158	53½	53	53¼	−½
87½	44	Unitel	2.00	2.6	30	3051	78½	77⅛	77⅛	−1⅛
43⅜	22	Unitl wi		—	—	3	39⅝	39⅝	39½	−⅞
17⅞	15¼	UWR	.88	5.3	22	162	17⅛	16¾	16¾	−⅛
6⅞	4⅜	Unitrde		—	61	597	5	4⅞	4⅞	−⅛
17⅞	11⅛	Univar s	.38	3.3	11	77	13⅛	13	13	−⅛
39	32⅞	UnvlCp	1.48	4.1	11	61	36½	36¼	36¼	+¼
26¼	21⅞	UnvFd s		—	15	256	24⅞	24⅜	24⅞	+½
14⅞	11⅝	UnvHR	1.48	12.1	18	245	12¼	12	12¼	+⅛
8¼	4⅜	UMatch		—	—	56	5⅛	5	5⅛	−⅛
4⅜	1⅞	UnvMed	.06a	2.7	—	325	2⅜	2¼	2¼	+⅛
31¼	18⅝	Unocal s	.70	2.3	—	4089	30⅛	29⅞	30	−⅞
42½	27⅞	Upjohn	1.00	2.7	18	2994	37½	36⅞	37⅛	—
48⅜	32⅞	USLIFE	1.48	3.3	11	182	45⅛	44⅝	44⅝	−¾
9⅞	8½	UslfeF	.92	10.1	—	17	9⅛	9⅛	9⅛	−⅛
21¼	17½	UtilCo	1.44	6.7	11	646u	21⅝	21⅛	21⅝	+⅛
23	19⅝	UtilCo pr	1.77	7.7	—	37u	23⅛	22⅞	23	+⅛
38⅞	27⅞	VF Co	1.08	3.1	12	434	32⅞	31¾	32⅛	—
8⅝	4½	VMG n	1.20	25.3	—	553	4⅞	4⅝	4¾	−⅛
18	11⅛	Valhi	.20	1.1	16	241	17⅞	17½	17⅝	+⅜
17⅞	7⅞	Valero	.10e	.7	14	1628	15⅛	14⅝	14⅝	−¼
28⅛	25½	Valer pf	3.44	12.9	—	1	26⅝	26⅝	26⅝	—
22⅛	14⅜	ValNG	2.50	15.2	79	343	16⅜	16½	16⅞	−⅛
2½	⅞	Valeyln		—	—	22	1	⅞	⅞	—
19⅝	13⅜	VanDrn	.60	4.0	16	198	15	15	15	+⅛
10½	8⅝	VKmpM	.68	7.3	—	154	9⅜	9¼	9⅜	+⅛
10½	7¼	VKMT n	.92a	11.9	—	178	7⅞	7¾	7¾	—
12⅜	12	VKMI n		—	—	9	12	12	12	—
13⅞	9	VKML n	.74e	8.1	—	239	9¼	9	9⅛	+⅛
26	24	VKmL pf		—	—	7	25⅝	25⅝	25⅝	—
6⅞	3⅝	Varco		—	82	359	5⅝	5⅜	5⅜	−⅛
30⅜	19⅞	Varian	.36	1.2	14	384	22	21⅝	21⅞	—
3⅞	2	Varity		—	8	36208	2⅞	2⅞	2⅞	−⅛
22⅜	16⅝	Varity pf	1.30	6.8	—	738	19⅝	19	19	−⅜
14	12	VestSe	1.20a	8.7	—	17	13⅞	13⅝	13⅝	
6⅛	1⅞	Vestrn			—	142	1½	1⅛	1⅜	−⅛
98½	76½	VaEP pf	7.72	8.8	—	z20	87¾	87⅝	87⅝	
84⅜	71¼	VaEP pf	7.20	8.8	—	z200	81⅝	81⅛	81⅜	−⅜
20¼	13⅜	Vishay			11	15	15⅝	15½	15⅝	+¼
56⅜	36⅜	VistaCh	1.80	4.8	4	549	38⅛	37½	37⅛	−⅜
32	23	Vivra n			—	113	28½	28¼	28½	+¼
3⅛	1⅛	VolCC			—	13	1½	1½	1½	
23⅜	11⅜	Vons			—	8837	19⅝	18⅞	19½	−½
126½	111	Vornad			29	3	119⅝	119	119⅝	+⅛
48½	39½	ValcM s	1.12	2.5	14	322	45½	45	45½	
		W								
25½	19¼	WICOR s	1.40	5.5	11	399	25¼	25	25¼	+¼
15	5⅝	WMS			32	1069	11	10	10⅞	+⅜
24½	21⅞	WPL H s	1.68	7.0	14	179	24¼	24⅛	24⅛	−¼
20	11	Waban n			—	4070	12	11	11⅛	−⅜
24⅝	17	Wackht	.60	2.5	17	12	24⅝	24⅝	24⅝	+½
11	6¼	Wainoc			51	1102	10⅜	10⅛	10⅜	−⅛
44⅜	30	WalMrt	.22	.5	26	3704	44⅝	43½	44	−¼
50¼	30	Walgrn	.80	1.9	17	1773	44⅝	43⅛	43⅛	−1⅛
30	21	WalCS s	.46	1.6	16	173	29⅜	28⅝	29⅛	+⅜
67⅞	35	WarnC	.68	1.1	63	6992	62½	61⅞	61½	−1
7½	4⅛	WrnCpt	.32t	5.4	17	55	6	5⅞	5⅞	−⅛
118⅝	74½	WarnrL	3.04	2.6	20	573	116⅝	114¼	115¾	−1⅛
30⅛	23⅜	WashGs	1.96	6.6	12	159	30¼	29⅞	29⅞	−⅛
29⅝	24	WshNat	1.08	3.9	—	11	27⅞	27¼	27⅞	+¼
31⅜	26	WshWt	2.48	8.1	11	106	30⅝	30¼	30¼	
35⅞	20⅛	Waste s	.32	.9	30	9547	35⅝	35	35⅝	
27¼	20	WatkJn	.48	2.5	7	182	20 d	19¼	19¼	−⅜
11	6⅞	Waxmn	.12	1.3	11	76	9	8⅞	9	+⅛
5⅛	1½	WeanU			—	13	4⅝	4⅝	4⅝	−⅛
10¼	6⅜	Wean pf		—	—	1	9¼	9¼	9¼	−½
16½	7⅛	WebbD		—	—	240	9⅛	8⅝	8⅞	
3⅞	⅜	Wedgtn		—	—	545	1	1	1	−⅛
31½	25⅛	WeinRt	1.76	5.7	38	159	31½	31⅛	31⅛	−⅜
15⅞	10⅜	Weirt n	.32e	2.9	—	129	11	11	11	
37½	28	WelsMk	.56	1.9	16	118	30⅛	29⅝	29⅝	−⅜
43	16⅝	Welmn s	.12	.4	20	3970	34⅛	33¼	33¼	−⅞
87½	58⅝	WellsF	3.60	5.0	7	921	72⅞	72⅛	72¼	−⅜
39	34⅞	WelF pf	3.15e	9.0	—	2	35	35	35	
39⅞	36	WelF pf	3.32e	9.2	—	5	36¼	36⅛	36¼	−½
20⅛	⅛	WelFM	19.50c	—	—	40	1⅜	1¼	1¼	
7	4⅜	Wendys	.24	4.9	15	1681	5	4⅞	4⅞	
22⅝	13½	West ✝	.32	1.8	13	321	18⅛	17½	17½	−⅜
58⅜	40⅛	WPtPe	.32e	.7	18	48	44½	43⅞	43½	−1¼
18⅞	13	WstctE e	.80	—	17	8	17⅞	17⅜	17⅜	−⅛
13⅞	5⅝	WCNA		—	—	5546u	15	13⅛	14⅛	+1
15⅞	12⅛	WIGs pf	1.80	11.4	—	26u	15⅞	15⅝	15⅞	+⅛
12⅞	11½	WstGR n		—	—	374	12⅛	12	12⅛	+¼
2⅞	1/32	WUnion		—	—	12129	⅜d	1/32	⅜	[illegible]
40¼	6½	WUn pfA		—	—	113	7½d	6	6	−1⅛
16	3½	WUn pfB		—	—	1369	3⅜d	3	3	−⅜
76¼	51¼	WstgE	2.40	3.3	12	1276	73⅞	72⅞	73⅛	−⅜
22⅜	17⅞	Wstoc n	.94	4.3	—	101	21⅝	21½	21⅞	+¼
26⅜	25¼	Wstoc pf	.70e	2.7	—	89	25⅝	25⅛	25⅝	+⅛
33¼	26⅜	Wetvco	1.00	3.5	8	416	28⅝	28½	28⅝	+¼
32⅝	24½	Weyerh	1.20	4.5	9	3227	27	26⅜	26⅞	−⅜
40⅝	33¼	Weyer pr	2.62	7.1	—	224	37⅛	37	37	−⅛
42⅝	35⅝	WhlbT n		—	—	261	38⅜	37⅛	37⅛	−¼
16¼	7⅛	vjWhPit		—		103	12⅞	12½	12⅞	−¼
47	26	vjWPit pfB				z250	30	30	30	+½
32⅞	24	Whrlpl	1.10	3.7	17	1370	30⅛	29⅜	30⅛	+⅜
17⅛	10⅞	Whitehl		—	—	57	14¼	13⅞	14	−⅛
38½	27½	Whitmn	1.02	3.4	20	4136	30⅛	29½	30	
13½	7⅜	Whitk n		—	2	17	7⅝	7⅜	7⅝	
3½	⅜	Wilfred		—	—	25	1⅛	1	1	−¼
20½	10⅝	WilcxG s	.10	.6	15	161	18⅛	17⅜	18⅛	+⅛
44⅝	29¾	Williams	1.40	3.6	—	12416	38⅝	38½	38⅜	−¼
61⅜	49¾	Willm pf	2.87	4.8	—	85s	57⅜	57¼	57⅜	−1
7⅛	5	WilshrO	.20t	3.1	91	10	6⅛	6⅛	6⅛	
27	7⅜	Windmr		—	7	2512	9⅞	9	9⅞	−½
59⅞	42⅞	WinDix	1.98	3.3	17	285u	60⅛	59½	60½	+⅜
9⅝	4½	Winnbg	.20	3.6	—	354	6	5⅝	5½	−⅛
30⅞	25⅜	WiscEn	1.66	5.4	12	1457u	30⅞	30½	30⅝	
24⅞	20½	WiscPS	1.62	6.8	12	403	24	23⅝	23⅞	
45⅝	34⅛	Witco	1.72	4.7	18	83	37	36⅝	36⅞	
15⅛	10⅝	WolvrW	.16	1.5	9	146	11	10⅞	10⅞	−⅛
77⅛	49⅝	Wolwth	1.88	3.0	14	5059	64	62⅞	63⅞	+⅜
15	5⅜	WrldCp		—	10	38	13⅞	13½	13⅞	−⅛
19⅝	15⅝	WrldVl	2.85e	11.3	—	41	18⅛	17⅞	18⅛	
52	34⅜	Wrigley	.80a	1.5	19	238	51⅜	50½	51⅜	+1⅛
10⅞	7¼	WyleLb	.28	2.6	18	132u	11	10¼	10⅞	+⅛
28	20½	Wynns	.60	2.6	11	35	23⅞	23½	23½	−⅜
17¼	4½	Wyse		—	—	2718	9¼	9⅛	9⅛	
		X-Y-Z								
69	56	Xerox	3.00	5.3	15	4220	57⅜	56⅞	57⅛	−⅛
49	44½	Xerox pf	4.12	8.4	—	12	49	47⅞	49	+1½
44¼	23⅜	XTRA	.72	2.7	22	48	27¼	27	27	
33	21⅜	XTRA pf	1.94	8.3	—	14	23¼	23	23¼	+⅛
4¼	2	Zapata		—	—	1787	3⅝	3½	3½	−⅛
13⅛	7⅜	Zemex	.20	2.4	—	6	8⅝	8⅝	8⅝	
21⅛	11½	ZenithE		—	—	1310	12⅞	12¼	12½	
2½	1/16	vjZenLb		—	—	709	⅛	1/16	⅛	+1/16
21½	16	ZenNtl	.84	4.4	9	68	19	18⅞	19	
10	6⅞	Zenix	1.20	16.0	—	271	7⅝	7⅝	7½	−⅛
18½	12⅜	Zero s	.20	2.8	13	82	14⅛	14⅛	14¼	−⅛
44¼	25⅞	Zurnln	.76	2.0	16	277	38⅝	38⅛	38⅜	−¼
12⅛	10	Zweig	1.12e	9.1	—	280	12¼	12⅛	12¼	
9⅞	8⅞	ZweigTl	.96	9.8	—	1394	9⅞	9⅞	9⅝	−⅛

DREXEL: *Amid Woes, Can It Survive as Independent Financial Firm?*

(Continued from first finance page)

some bonds it has underwritten, only to see the value of those bonds plunge.

Frederick H. Joseph, the chief executive of the firm, said he was aware that rough times had led to widespread talk that Drexel was in trouble, but said the stories were not true.

He and other top executives at Drexel said the firm was solid financially, and he said he thinks the management team the firm has in place is one of the best on Wall Street.

"I fully believe that we will end this year in the black," he said. "You've got air pockets in the high-yield bond market, and that is creating opportunities for us."

An air pocket is a sudden, sharp decline in the price of a bond; the opportunities include refinancings for troubled companies.

Some analysts agree that despite the difficulties Drexel is experiencing, the firm will survive, albeit in a different form.

"I think Drexel is going to make it if the environment doesn't get much worse," said Perrin Long, an industry analyst with Lipper Analytical Services. "But the firm is going to be a more streamlined, modest firm."

Nevertheless, the uncertainty about Drexel's future is so pervasive that rumors about a possible sale of the firm or other drastic measures are common. Indeed, Max C. Chapman Jr., the head of the American arm of Nomura Securities Inc., the Japanese investment house, recently telephoned Mr. Joseph, asking whether the two firms should issue a denial of a rumor that Nomura would buy all or part of Drexel. Mr. Joseph said they had decided not to release a statement.

"We're not in any conversations about selling Drexel," Mr. Joseph said. "Our capital position is satisfactory."

But even people within Drexel acknowledge that the firm is heading for a very tough winter. The junk bond market has been in tatters for months, and is only now showing tentative signs of a mild recovery.

The future of Drexel depends in good part on a continued recovery, as well as on the firm's ability to succeed in other parts of the financial marketplace. But many of these areas are characterized by fierce competition and overcapacity.

In addition, important executives of the firm's junk bond division in Beverly Hills, California, are expected to be indicted soon on criminal charges of securities law violations, filings by Drexel with the Securities and Exchange Commission show.

Michael R. Milken, the head of Drexel's junk bond division, was indicted on 98 counts of racketeering, mail fraud, insider trading and other charges last March.

And while some Drexel executives said they expected the firm to end the year with a profit, other people inside Drexel said it had losses of more than $130 million in the first 10 months of this year. In October alone, Drexel lost more than $50 million, they said.

The firm has a total capitalization of $1.7 billion, down from $1.96 billion in the previous year, a Drexel spokesman said. Despite the decrease, the firm's level of capital is still considered satisfactory, some analysts said.

The October loss stemmed both from the declining junk bond market, which Drexel mastered to transform itself from a third-tier player into one of Wall Street's most powerful investment houses, and from losses stemming from speculation by the firm that the leveraged buyout of UAL Corp. would be completed. The deal fell apart after sufficient financing could not be arranged.

The loss of more than $130 million compares with a loss last year of more than $160 million, but last year's loss would have been a large profit except for charges against earnings to cover the $650 million penalty Drexel agreed to pay in its settlement of charges of securities law violations.

The firm made more than $400 million in 1987 and more than $1 billion in 1986, Drexel executives said.

Mr. Joseph said that the data showing the firm with losses for the first 10 months did not include excess reserves that were taken during the year as a precautionary measure for bonuses, legal expenditures and charitible contributions, which would be accounted for at the end of the year.

He declined to provide details about the magnitude of those profits or about Drexel's financial statements. The firm is a private partnership, and does not have to report its earnings publicly.

Because Drexel is the only independent securities firm to have pleaded guilty to criminal charges, it is faced with some difficulties not encountered elsewhere on Wall Street. For example, while the firm is laying off about 11 percent of its staff in the junk bond division, it continues to pay millions of dollars in compensation to executives who have agreed to testify against Mr. Milken, even though those executives no longer go to work.

The government has told Drexel not to take any retaliatory actions against the executives who are testifying.

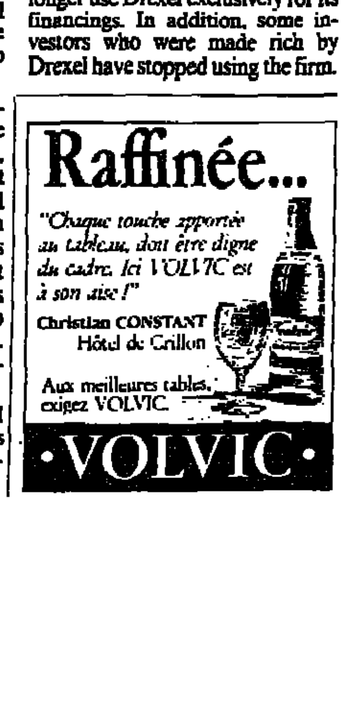
Because of its problems, people inside and outside Drexel said, the firm is but a shadow of the rugged battler it once was. "It seems to be hemorrhaging from all sides," one person inside the firm said, referring in part to the shrinking of the firm to about 5,500 employees from 10,000 in less than a year.

"We've lost people. We've lost money. We get memos telling us that the top guys are optimistic. But they're the same ones who told us that we weren't going to settle" charges of securities law violations.

But Mr. Joseph, in saying that the firm remains strong on its own, added that Drexel had trimmed its operating costs to $1.3 billion from $2.4 billion over the last year.

Much of that was the result of the disposal of assets that contributed to costs without adding much to the firm's earnings, like the retail division.

Nevertheless, some longtime clients have begun pulling away from Drexel. After the settlement, Stone Container Corp. said it would no longer use Drexel exclusively for its financings. In addition, some investors who were made rich by Drexel have stopped using the firm.



Bond Sells U.S. Hotel At a Loss

Compiled by Our Staff From Dispatches

PERTH, Australia — The embattled Alan Bond on Thursday sold the St. Moritz Hotel in New York City at a loss, in a further attempt to save his crumbling brewery, media and property empire through the sale of assets.

The 33-story, 788-room hotel at a prestigious address near Central Park South was sold to FAI Insurances Ltd., an Australian insurance and investment company, for $175 million, well below its valuation price in May of $210 million.

In Sydney, FAI Insurances Ltd. said its purchase of the St. Moritz cut its net exposure to Bond Corp. by about 225 million Australian dollars ($177 million), to just above 300 million dollars. FAI is one of Bond's main creditors.

FAI's chief executive, Rodney Adler, said his company "has reason to believe substantial reductions will continue to be made to the level of this indebtedness in the short term."

Mr. Bond's company, Bond Corp. Holdings, bought the hotel just last January from the property magnate Donald J. Trump for $180 million.

Bond Corp., according to an official company audit last month, has debts of about 7 billion dollars.

Other property assets, including the Chifley Square development site in Sydney and the Kona Kai Beach and Tennis Resort in San Diego, are also slated to be sold.

(AP, Reuters)

Bangkok Curbs Stock Activity

Reuters

BANGKOK — The Thai stock exchange, which has hit record highs for three straight sessions, has raised margins for buying shares in an effort to cool excessive speculation.

Maruey Phadoongsith, president of the Securities Exchange of Thailand, said that investors would be required from Dec. 18 to put up 100 percent of the price of shares instead of the current 90 percent.

Brokers said they did not expect the higher margins to dampen trading substantially as most stocks are currently traded on a cash basis.

The SET Index hit a record 793.88 on Friday after Siam City Cement announced plans of a 20 for one share split.

Sagging Economy Adds to China's Woes

Australia and ASEAN Nations Seek Expanded Trade Links With Taiwan

By Michael Richardson
International Herald Tribune

SINGAPORE — Australia and Southeast Asian countries hungry for foreign investment are expanding economic relations with Taiwan as prospects fade for lucrative trade and investment ties with China.

Since the June crackdown on the prodemocracy movement by hardliners in Beijing and reimposition of strict economic controls by the Chinese government, many Taiwanese investors have turned to other parts of Asia and the Pacific instead.

On a recent visit to Kuala Lumpur, John Ni, director-general of industrial development and investment in Taiwan's Economic Affairs Ministry, said that more than 100 Taiwanese electronics companies were keen to invest in projects in Southeast Asia, particularly Malaysia and Thailand. Total investment could amount to $1 billion.

In 1988, Taiwan emerged as one of the leading investors in ASEAN, and the surging inflow of Taiwanese capital has continued this year. ASEAN links Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

However, as Taiwanese investment and trade with Southeast Asia and Australia increases, governments in the region are having to make economic concessions to Taipei that threaten to upset their diplomatic relations with China.

The Australian government last week approved a package of measures designed to protect Taiwanese assets in Australia from possible seizure by China.

Like many Asian nations that recognized the government in Beijing in the 1970's, Australia adopted a one-China policy and severed official relations with Taipei.

Taiwan, said Stephen Fitzgerald, a business consultant and former Australian ambassador to China, has been "timid about investing in Australia" because of Canberra's rigid policy towards Taipei and Taiwan's fear that its assets might be expropriated under pressure from Beijing.

In the fiscal year ending in June, trade between Australia and Taiwan was worth more than three billion Australian dollars ($2.35 billion), compared to Australian trade with China of two billion dollars.

In the Philippines, where Taiwan has been the largest foreign investor this year, China's ambassador warned the government last month not to permit passage of a controversial bill that would protect Taiwanese assets and establish what Beijing regards as official diplomatic missions in Manila and Taipei.

Wang Yangfin, the Chinese ambassador, asserted that Taiwanese officials were taking advantage of the Philippine economic difficulties to upgrade political relations between Manila and Taipei "by hook or by crook."

To avoid diplomatic strains with China, Australia and countries within the Association of Southeast Asian Nations maintain that recent measures to expand economic relations with Taiwan do not constitute official recognition of Taipei.

Suryo Bambang Silisto, chairman of the Indonesia-Taiwan economic cooperation committee in Jakarta, said that drafts of agreements to protect Taiwanese assets in Indonesia and avoid double taxation were recently sent to Taipei for approval.

In the absence of diplomatic relations between Indonesia and Taiwan, he said that the agreements will be signed by the Indonesian Chamber of Commerce and Industry and its Taiwanese counterpart.

Hong Kong Bankers Say Prospects For Lending to Beijing Are Bleak

Reuters

HONG KONG — Hong Kong bankers see poor prospects for the once-lucrative business of lending to China, and blame Beijing's sagging economy more than its military crackdown in June.

This year has already seen a sharp drop in lending to China and next year will be even worse, they added.

"The events of June 4 of course have had some effect on foreign banks lending to China, but that's not the main reason," said a China specialist at a Hong Kong bank.

Beijing's suppression of the prodemocracy movement caused many foreign banks to suspend lending, but a nationwide austerity program is likely to prove more damaging in the long term.

"Their efforts to halt inflation were too drastic, and there are already signs of recession," the China specialist said.

A French banker said he had not been worried about China's economy before June, when hardline Chinese leaders wrested power from reformists.

"The economic reform was on the right track, and we felt comfortable lending," the banker said. "But now it's obvious there is a return to a state plan-style economy. It may get worse in the future and we must think of China's repayment ability," he added.

A Bank of China official based in Hong Kong, who requested anonymity, said the June crackdown merely catalyzed the slide in the Chinese lending business.

"There had not been much business since the fourth quarter of 1988 because of the economic austerity program," the official said.

Stone Says 1989 Profit Will Be Down by 30%

Agence France-Presse

BEIJING — Beijing Stone Group Co., the Chinese computer company, said Thursday that its profit is likely to fall 30 percent this year because of the government's tight credit policies.

But an executive, in the company's first press conference since the June 4 crackdown on the prodemocracy movement, said Stone continues to enjoy "support and favorable policies" from the new hardline leadership.

Stone's future was cast into doubt when the authorities claimed that its millionaire president, Wan Runnan, gave $54,000 and electronic equipment to student hunger strikers in Tiananmen Square.

Mr. Wan was later fired from Stone and branded as a "reactionary" in the Communist Party newspaper People's Daily.

Shen Guojun, who succeeded Mr. Wan as president, said Stone expects 1989 profit of 35 million yuan ($9.37 million) — down 30 percent from a record 50 million yuan a year earlier.

Revenue in the first nine months of the year was 500 million yuan, compared to 750 million yuan for all of last year, Mr. Shen said.

New Zealand Seeks Better Reputation

Reuters

WELLINGTON — The New Zealand government is to put new securities legislation before parliament early next year aimed at rebuilding the reputation of local markets, which has been tarnished by a series of corporate failures.

Justice Minister Bill Jeffries said Thursday that the law would propose making the Securities Commission a supervisory body for securities markets and self-regulatory organizations.

"The government is building New Zealand's reputation in the international market place as an attractive place for investment," he said. "A credible supervisory framework gives the mark of quality to the New Zealand investment environment."

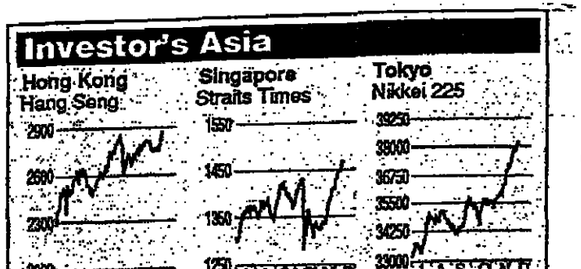
Confidence in the New Zealand economy has been dented by a series of blows, most recently the collapse of the investment bank DFC New Zealand Ltd. and a default on the futures market.

Mr. Jeffries said the legislation would include proposals to allow companies to buy their own shares and finance the purchases, and also lay down rules to protect minority shareholders. It would also set rules for the experience and independence of liquidators and receivers, and abandon the standards of par value shares and nominal capital.

"I recognize this legislation as key in establishing quality public securities market supervision, not only for the domestic market but for the international market," he said.

The legislation has its origins in a government inquiry chaired by the former Reserve Bank governor, Spencer Russell, into problems afflicting the New Zealand stock market, which has struggled to recover from the 1987 collapse in global stocks.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	2876.75	2851.84	+0.87
Singapore	Straits Times	1467.96	1464.29	+0.25
Sydney	All Ordinaries	1615.60	1615.20	+0.02
Tokyo	Nikkei 225	38180.70	38062.42	+0.31
Kuala Lumpur	Composite	538.65	539.09	-0.08
Bangkok	Book Club	731.54	729.67	+0.26
Seoul	Composite Stock	928.24	915.72	+1.37
Taipei	Weighted Price	8427.87	8619.41	-2.22
Manila	Composite	1062.54	1103.28	-3.69
New Zealand	Barclays	1910.49	1952.52	-2.15
Bombay	National Index	410.50	410.36	+0.03

Sources: Datastream, Reuters, AFP International Herald Tribune

In Currency Dealings, Malaysia Calls the Shots

Reuters

TOKYO — Monetary authorities in major countries are about to find out what currency dealers in Tokyo already know — Malaysia's Bank Negara cannot be pushed around.

Jaffar Hussein, the Malaysian central bank governor, says that Bank Negara will not bow to pressure to check its foreign exchange activity and will do what it sees fit to preserve the value of its reserves.

That stance, taken by Mr. Hussein in Kuala Lumpur on Wednesday, did not come as surprise in Tokyo, where Bank Negara is expected to continue to be a big dealer in the currency market for some time to come.

"Bank Negara is a regular out here," a senior dealer at a Tokyo bank said, "and it looks like we'll keep seeing them around until they decide to stop dealing."

That may not come as welcome news to the United States and other major nations that have been trying to stabilize foreign exchange markets and dampen currency speculation.

Press reports have said the U.S. Federal Reserve Board asked Bank Negara to curtail its currency activity. The Fed made the request because it frowns on speculation by central banks and because the volume traded was high in comparison to the bank's reserves, according to the reports.

Tokyo dealers said Bank Negara could overwhelm the trading scene with its huge trades, which often run to as much as $800 million to $1 billion each. But the bank itself dismisses its reputation as a mover and shaker.

"They sometimes do $1 billion in one shot, mostly through U.S. banks in Singapore," a dealer at a Tokyo bank said. He estimated that his bank did $400 to $500 million worth of business with Bank Negara on any given day.

Taiwan Seeks 7% Growth

Reuters

TAIPEI — The Taiwan government has approved a four-year economic plan calling for 7 percent real growth in gross national product each year between 1990 and 1993.

The plan, approved Thursday, envisages per capita GNP of $8,366 next year, rising to $11,055 by 1993. Per capita GNP is expected to be $7,518 this year.

The council had forecast 7 percent GNP growth for this year, but the Bureau of Statistics has said it will be a slightly higher 7.21 percent.

The new plan calls for an average consumer price inflation rate of 3.5 percent each year. This compares with a forecast inflation rate of 4.72 percent for this year.

The plan foresees exports, including merchandise and services, growing between 4.4 and 4.9 percent each year. Imports are to increase between 7.8 and 7.9 percent. This compares with export growth of 5.79 percent for this year and import growth of 9.96 percent.

Taiwan's surplus on both merchandise and service trade will drop to $11 billion next year and to $6.8 billion by 1993, according to the plan.

Hup Shares Up On First Day

Reuters

SINGAPORE — Shares in the shipping group Hai Sun Hup rose strongly on their first trading day on the Singapore Stock Exchange on Thursday.

Hup's 1.10 Singapore dollar (57 U.S. cent) par shares closed at 1.81 dollars.

The company's offer of 52 million shares was oversubscribed 99 times on Nov. 30.

Hup is the third company listed on the exchange this year.

In Dhaka, Insider Trading Poses Problems

Agence France-Presse

DHAKA, Bangladesh — Insider trading, though illegal, is common on the growing Dhaka Stock Exchange, according to traders and officials here.

A stock exchange official claimed it was "negligible" as the stock market was small and growing only gradually.

But a senior broker said insider trading was "reasonably big" and alleged that those involved were protected by "powerful quarters."

Another broker, Syed Tareq Mohammad Ali, said that brokers had repeatedly sought government help to set up a clearing house to check illegal trading.

The number of companies listed on the exchange has grown from 69 in 1985 to 111. The value of transactions increased from 22.5 million taka ($703,460) in the 1984 fiscal year to 128 million taka last year.

Brokers complained that lack of financial coverage dampened business and that small investors became frightened, because some of the listed companies paid their dividends late.

The brokers said the companies had a free hand and sometimes delayed paying dividends because of a lack of "serious control" by the government.

The stock exchange official said the government had been very lenient with the stock market and allowed it to function without enforcing a 1969 law allowing the authorities to appoint a special supervisor.

The chairman of the bourse, Kazi Firoze Rashid, has been a government minister for several years, creating close links between the stock exchange and the authorities.

AMEX

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
dd — called.
g — new yearly low.
e — dividend declared or paid in preceding 12 months.
e — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, on accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xds — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

Issue No. 11

International Herald Tribune A Special Report

Friday, December 15, 1989

Technology Quarterly

Micro Model Challenges IBM System

By Al Senia

LOS ANGELES — A new generation of powerful microcomputers, which will begin arriving in quantity at computer dealers early next year in the United States and Europe, will cross a significant technological threshold that for the first time challenges the market position of the much larger, traditionally faster and more expensive minicomputer systems.

Texas-based Compaq Computer Corp. is leading the rush to break down the barrier between the minicomputer and desktop microcomputer worlds. In November, the company introduced the first three models of its new Systempro line, desk-size computers built around either an Intel 80386 or 80486 microprocessor.

Compaq executives believe the new machines can handle multiple users and operate significantly faster than traditional desktop microcomputers. The company has aimed the machines at corporations and medium-sized businesses looking for less expensive alternatives to minicomputers and mainframes.

"These next-generation PCs and PC systems now make it possible to achieve the power and expandability previously offered by minicomputers and specialized technical workstations," said Rod Canion, Compaq's chief executive.

Although Compaq was first with the new machines, a host of other computer makers will be close behind. Such U.S., Japanese and European microcomputer vendors as Hewlett-Packard Co., Epson America Inc., NEC Technologies Inc., Olivetti Corp., Tandy Corp., Wyse Technology, AST Research Inc. and Zenith Data Systems Corp. have pledged to introduce similar computers in 1990.

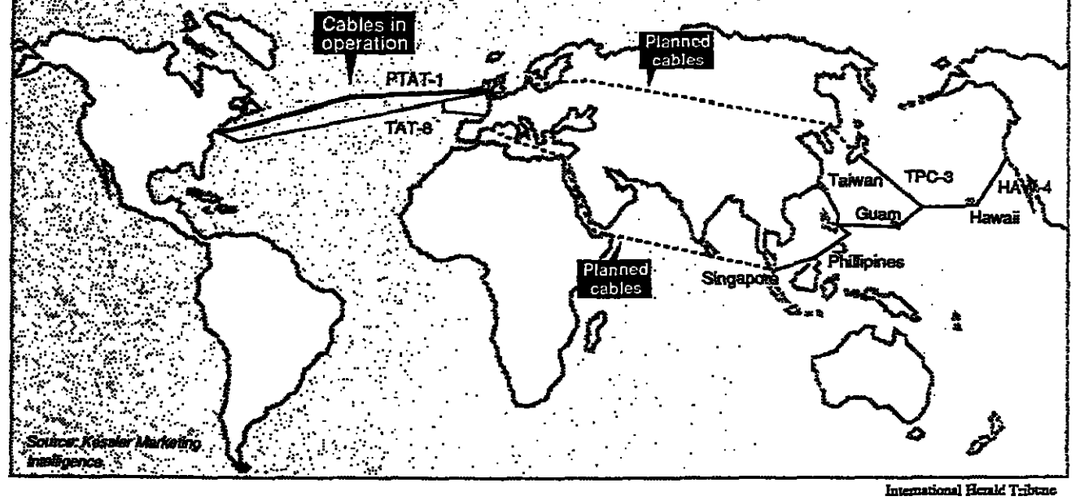
HP already has announced a similar machine using an Intel 80486 chip and will ship it in the first quarter of 1990.

All of the systems gain their enhanced performance from an improvement to an existing computer bus architecture, the electronic conduit that moves data from one part of a personal computer to another at much faster input/output rates. This Extended Industry Architecture, or EISA, technology is expected to dominate personal computer sales in the 1990s, even though IBM Corp. has adopted a different bus

Continued on page 20

Conversing Along Optical Fibers

With discussions under way for a fiber cable that would tie Europe and East Asia together directly, the day may be near when fiber will girdle the world in an unbroken loop.



International Herald Tribune

Fiber Optic Backers Push for Global Span

Europe-Asia Link Is Under Discussion

By John Burgess

WASHINGTON — Snaking along the ocean floor, miles below the surface, optical fiber has made its debut on the world's most heavily traveled corridors of intercontinental communications. The medium can carry tens of thousands of telephone calls simultaneously on a cable less than an inch thick and, combined with competition, promises to help keep costs of long-distance contact coming down while increasing the services available.

In December of last year, switches were thrown and the first commercial messages flowed down a 4,000-mile (6,465-kilometer) cable called TAT-8, which links the United States to England and France. It was the first transoceanic fiber cable to enter operation. Four months later, an 8,300-mile fiber line crossing the Pacific, connecting the United States and Japan, was put into use, followed by a second trans-Atlantic one this past summer.

With discussions under way for a fiber cable that would tie Europe and East Asia together directly, the day may be near when fiber will girdle the world in an unbroken loop that transmits information as the "digital" ones and zeros of computer language and in capacities unthinkable with conventional analog systems. "The global digital highway" is what the British communications company and fiber layer Cable & Wireless calls it.

Fiber's introduction in the long-haul international market has caused some heartburn for the 118-nation consortium Intelsat, which has held a virtual monopoly on sectors of this business through the communications satellites it has operated since the mid-1960s. Today, however, the consortium is scrambling to cut prices and offer improved services in response to a newly competitive environment.

Warnings are heard of a possible capacity glut, but through most of the communications industry, the cables' capability and the competition that they foster are seen as positive, both for public communications networks and the in-house ones that corporations and government agencies are setting up in increasing numbers. "Over the long run," says Stuart B. Erskine, president of the data communications company iNet of America, "I think it will drive down the basic cost of communication."

The first trans-Atlantic communications cable was laid in 1866 to carry telegrams. It was just a long wire down which power was shoved at one end to produce dots and dashes at the other. Telephone signals, however, dissipate after a few miles in a cable and need repeaters, devices that amplify the signals and send them on their way. It was not until 90 years later, in 1956, that engineering had advanced to the point that a phone cable could be run across the Atlantic with repeaters operating reliably on the ocean floor every 35 miles.

The 1970s saw the development of optical fiber, hairlike flexible glass that conveys information not as electrical waves but as pulses of light from lasers. It had the advantage of virtu-

Continued on page 20

East-West Thaw Aids Australian Space Project

By Michael Richardson

SYDNEY — The gathering pace of the thaw in relations between the United States and the Soviet Union and the growing importance of communication and scientific satellites are creating favorable conditions for establishing an international spaceport in Australia that would compete with the European Space Agency's rocket-launching complex at Kourou, French Guiana.

Potential partners in the venture are a group of leading U.S., Japanese and Australian corporations. They plan to buy the latest Soviet rockets and use them to offer commercial customers a launch service that would be cheaper and at least as reliable as those offered by European and U.S. aerospace organizations.

The project to build the world's first privately run space complex at Temple Bay, in northern Australia on the east coast of Cape York Peninsula, in the state of Queensland, is already well advanced. The company behind the project, Essington Developments Ltd., an Australian-Japanese joint venture, presented a detailed submission in October to the federal and Queensland governments. Essington is the owner of Cape York Space Agency Pty., the company organizing the spaceport venture.

Like Kourou, Temple Bay is close to the equator. A majority of commercial satellites need to be placed in geostationary orbit above the equator. The closer the launch site is to the equator, the cheaper and easier it is to position the payload in space.

United Technologies Corp. of the United States is expected to manage the Cape York project through a subsidiary, and recently sought U.S. government permission to become more involved. The subsidiary, USBI Co., specializes in supporting space launches.

The UTC request to the U.S. State Department, which is likely to be approved soon, is an important part of a process that may end a long-standing U.S. ban on use of Soviet rockets for launching commercial satellites made in the United States or containing components of American origin. Since most European and Japanese satellites contain American components, this ban has applied to virtually all Western satellites.

> World's first privately run spaceport will use the latest Soviet rockets.

For years, U.S. satellite makers and foreign and American operators of the satellites have wanted to have them put into orbit by the Soviets, who offer prices for a reliable launch service that are substantially lower than those of Western competitors.

Dick Rubino, director of Pacific spaceports at UTC in Virginia, said that USBI viewed the Cape York project as "a very viable candidate for success," though there were challenges in completing the project and ensuring that it was sufficiently profitable. "We think that it warrants our continued support," he said.

He noted that the thaw in relations between the United States and the Soviet Union provided a favorable environment for overcoming the ban on use of Soviet rockets to launch Western satellites, although it might take up to a year before a formal policy declaration was made by the U.S. government.

Officials in Canberra said that the Australian government supports the Cape York spaceport project and will use its influence as an ally of the United States to argue for a lifting of the satellite export ban.

Senator John Button, Australia's minister for industry, technology and commerce, said he would seek from the Australian cabinet an in-principle approval for the project so that the organizers can proceed with an environmental-impact study, final engineering design, financial arrangements and negotiation of contracts with potential participants and clients.

Stephen Williams, executive director of Essington, said in an interview that the cost of building the first phase of the space complex, including a single launching pad; an airport; testing, control, computer and harbor facilities, and a township for about 700 people would be 350 million Australian dollars ($273 million). Site construction is scheduled to begin in the first half of 1992, and the first Soviet rocket is to arrive in mid-1994.

Mr. Williams said that the Cape York spaceport would launch one rocket in 1995, two in 1996 and five a year until the turn of the century. While the Cape York project is technically attractive, there is some skepticism that future demand for satellite launch services will be large enough to guarantee adequate profits, or that the venture will be able to compete effectively with European, Chinese and U.S. launch organizations.

Until June, Essington had to contend with a rival consortium, made up of Australian and U.S. companies, that was also investigating the feasibility of a Cape York spaceport. The consortium, which included Australia's largest company, BHP Pty., and Martin Marietta, a U.S. aerospace firm and rocket manufacturer,

Continued on page 18

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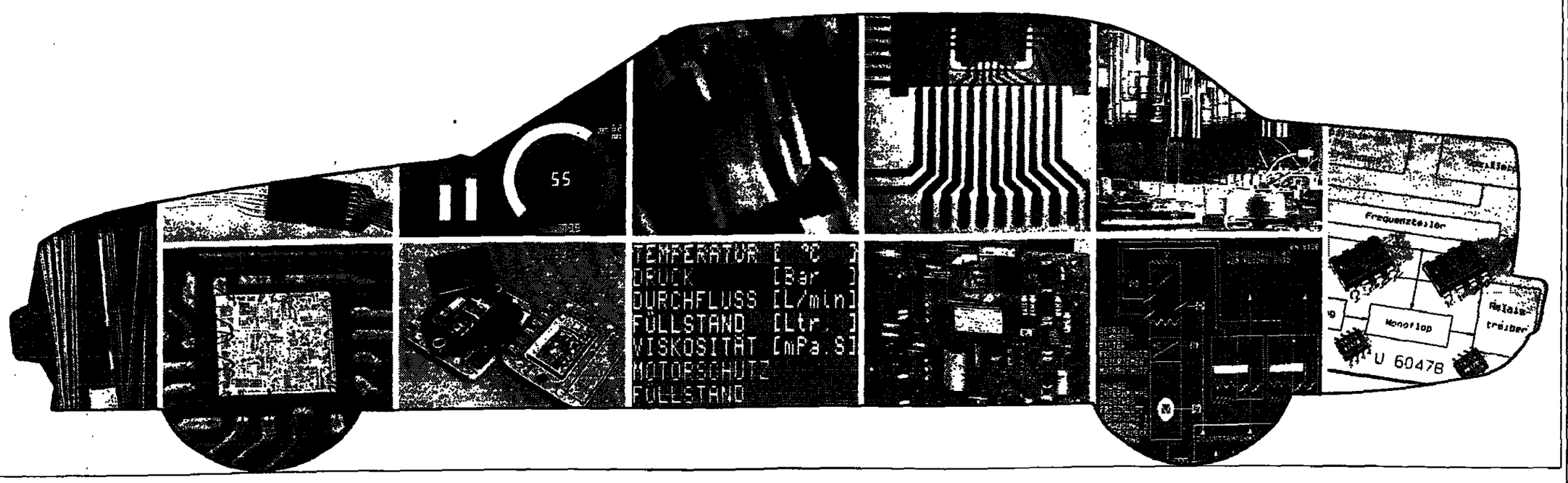

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Technology Quarterly

Airlines Lead Way In Computer Uses

By Amiel Kornel

BOSTON — "I don't think there is an industry that stays abreast of technology as much as the airlines," said John Fabry, an official with the U.S. Federal Aviation Administration. Indeed, the airline industry, particularly in the United States and Europe, has led other business sectors in aggressive use of computers for enhancing both service and profitability.

Nearly all aspects of commercial aviation today depend on digital technologies. While systems and computerized ticketing are more visible to the public, automated operations behind the scenes are critical to the reliability and quality of an airline's services, as well as the efficient management of its resources.

Deregulation, and the industry consolidation it has engendered, has been putting pressure on airlines to automate their operations even further.

"As airlines consolidate, merge and get bigger, they get more difficult to manage," said Richard Golaszewski, principal consultant at Gellman Research Associates Inc. in Jenkintown, Pennsylvania. "You have to gain efficiency somewhere, so you have to do more automation."

"Everything using digital technologies has made a dramatic increase in reliability," said Dan Lewis, airline industry consultant at Booz Allen & Hamilton.

Some companies are now moving to a new level of computerization as they integrate previously independent activities. Increased competition in the airline industry is pushing major carriers to tightly orchestrate operations in order to improve their competitive posture, according to Jeff Williams, professor of business strategy at Carnegie Mellon University in Pittsburgh. Companies, he explained, are interweaving computer systems used for flight routing, crew scheduling and maintenance.

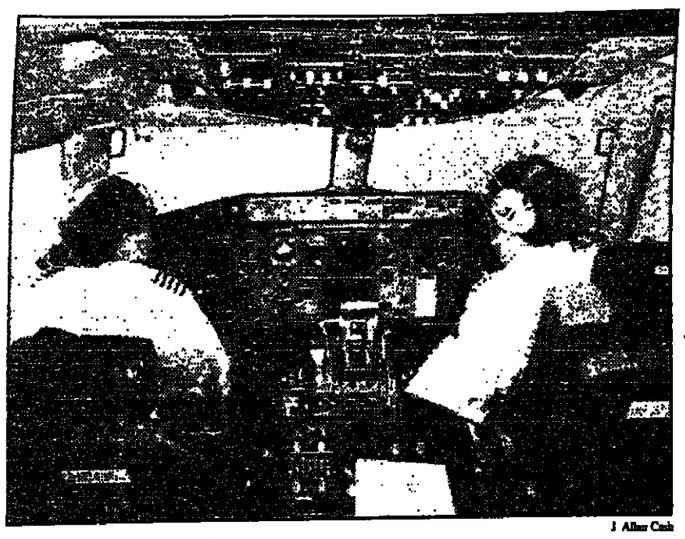
Pan American World Airways, for example, plans to spend $50 million on an integration project that will redesign its entire computer activity, according to Robert Wagner, vice president for information systems. "We're looking to dump it all and start over," he said. "We will have significant pieces in place before the end of 1990."

Competitive pressures are fueling a 52 percent annual growth in Pan Am's data-processing requirements, Mr. Wagner said. The company's information systems activities currently command an annual budget of about $100 million and involve 130 full-time employees. Pan Am's main supplier is International Business Machines Corp., which has a dominant position throughout the industry.

The world's crowded skies are also pushing airlines to explore innovative uses of information technologies for routing flights. "The increase in traffic is justification for some of the computerization," said Leonard Wojcik, research analyst at the Flight Safety Foundation in Arlington, Virginia.

The most dramatic — and contentious — example of computer use in airline operations is automation of the cockpit. "Basically," said Mr. Wojcik, "the whole trip, from firing the engines to landing the aircraft, can be automated." The pilot, he explained, becomes a systems manager overseeing the proper functioning of cockpit computers.

Critics, including many pilots, argue that automated flying raises new dangers in civil aviation. Among their complaints, they say pilots must preserve hands-on control because computer hardware and software cannot reliably respond to all flight conditions. "To a certain extent, you can automate a system to prevent an accident from happening," said Mr. Wojcik. "But there is always a danger that automation alone won't save you. You need a pilot in the loop."



J. Allen Cash

Pilots in a Boeing 767 cockpit.

Cost-control considerations are pushing airlines to implement more technological solutions in their maintenance operations. The size of parts inventory and uncertainty in scheduling aircraft for maintenance can be minimized through the use of information systems.

"Cost justifications," said Randy Beck, the manager of product marketing for transportation systems at Texas Instruments Inc., "are based on the ability to take slack out of your capacity in fleet, parts, and maintenance organization." Texas Instruments has been commissioned by Air Canada and Spain's Iberia to develop decision-support systems for maintenance scheduling.

In addition to reducing costs, it is hoped that these systems will help airlines maintain their planes more efficiently, reducing delays and improving reliability.

One of the newer uses of computers in aircraft maintenance is the direct transmission of flight data from air to ground. Self-detecting fault systems on Boeing's 747/400, 756 and 767 airplanes can monitor up to 300 parameters, such as engine temperature and oil consumption, reporting the data to ground computers that then filter the information in search of anomalies. American Airlines and TWA are among the U.S. companies using this capability, according to Dick Sears, safety manager at the Boeing plant making the 737 and 757.

AMIEL KORNEL is a senior editor at Computerworld in Framingham, Massachusetts.

Combined Techniques Allow Blind to 'See' Films and TV

By Elizabeth Ayre

PARIS — As the glitz-and-glamour crowd clamored to see and be seen at the Cannes Film Festival last May, a group of people, consisting primarily of the visually impaired, gathered inside the Palais du Festival to partake in a quieter celebration of their own: Cinema for the blind had made its European debut with the first bilingual presentation of AudioVision for the world press.

Operating on the art of "talking pictorially" — describing gesture, clothing, expression and action for the visually impaired — AudioVision provides a taped soundtrack that is synchronized with the original magnetic 35mm soundtrack. The signal is sent via infrared transmitter or FM radio and fed into the listener's ear through a Dolby headset.

"AudioVision," says the project's co-director, August Coppola, dean of the San Francisco School of Creative Arts, "puts an eye in your ear."

The European premiere of a full-length feature film in Audiovision will be held next month at the former Théâtre de la Gaîté Lyrique at Planète Magique, an 11,000-square-meter adventure park opening in Paris on Dec. 20. The project is being coordinated by the Association Valentin Hatty (AVH), a nonprofit organization for the blind that will help distribute the system throughout France using its 85 affiliated centers.

The AudioVision system developed in France, in coordination with l'Ecole Supérieure d'Interprètes et de Traducteurs (ESIT), will be used as a model for other European countries.

> 'AudioVision puts an eye in your ear.'

AudioVision was conceived in 1975 when co-director Gregory Frazier, a lecturer at SFSU, hit upon the idea for his master's thesis while watching "High Noon" and describing the action to a blind friend.

He had difficulty in finding financial backing for the project but after joining up with Mr. Coppola, he secured a $40,000 grant from the San Francisco Foundation and the rights to "Tucker: The Man and His Dream," directed by Francis Ford Coppola, August's brother. It was screened in August 1988 as the first film in AudioVision. Planète Magique will be screening "Indiana Jones and the Last Crusade," and plans to feature a different film each month.

The process is time-consuming — it takes one hour of listening, watching, writing and recording to produce one minute of AudioVision material — but relatively inexpensive, at $10,000 per film. The system can be adapted for theatrical productions, television and videocassettes. After AudioVision descriptions are prerecorded in a dubbing studio, the magnetic 35mm soundtrack and the 35mm "sound image" are mechanically synchronized and played on an interlock projector.

The descriptive narrative is transmitted to the open headsets, which have been selected by Dolby to avoid interrupting the film's stereo balance. In theaters, specially designed armchairs are equipped to receive the infrared signal; for television in France, the signal is sent via FM radio. The method allows the visually impaired to "watch" TV programs or films in the company of sighted viewers.

August Coppola

The action must be narrated during "time windows" in between dialogues. Timing is key, for the words must trigger emotions simultaneously with those evoked by images. "A proof of the success was that both sighted and non-sighted 'viewers' [during a press showing at Planète Magique] laughed at the same moments," said Mr. Coppola.

"For this, a high degree of sensitivity to the culture is required," he added. Linguistic difficulties, such as longer sentences in French than in English, and the rapidity of Italian dialogues, complicate the narration process.

Another obstacle, of course, lies in the market.

Several organizations have backed the launching of AudioVision in France: SFSU, Planète Magique, AVH; United International Pictures donated film. Government support from the Secretary of State for the Handicapped, Michel Gillibert, will be sought. AVH will target French national television and radio networks to generate interest in AudioVision. (Public television network WGBH in Boston broadcasts AudioVision via a second audio program.)

As the system develops and more theaters are equipped with headsets, visually impaired people will be able to share in the conviviality of movie-going — the collective response — thus liberating the blind from a cultural isolation. "The key is getting the visually impaired out of the house and mixing with others by offering them equal access to forms of public entertainment," said Mr. Coppola.

It is also a question of offering the nonsighted autonomy: "Now, my husband doesn't have to whisper in my ear all that's going on in the film," said one blind woman following an AudioVision screening. It was a rediscovery for her, since she had not been born blind. "Through AudioVision, I was able to see some of the same images I had seen 25 years before," she said.

ELIZABETH AYRE is on the staff of the International Herald Tribune.

East-West Thaw Aids Australian Spaceport Project

Continued from page 17

dropped out of the competition, saying it had concluded that existing and committed capacity of satellite launch facilities worldwide was likely to exceed demand for commercial launch services until well into the 1990s.

Malcolm Edwards, managing director of Essington Ltd., an unlisted Australian company that owns 52 percent of Essington Development, said that the extensive report handed to the federal and Queensland governments confirmed the commercial viability of the Cape York spaceport.

Advocates of the Cape York project assert that two keys to future profitability are access to Soviet rockets, which Western aerospace experts say are cheap because of heavy Soviet state subsidies, and efficient operation of the Cape York spaceport for North American, Asian, European and Third World customers.

The Cape York Space Agency has an agreement with Glavkosmos, the Soviet civilian space agency, for exclusive rights to buy Zenit rockets and ship them to Australia to carry commercial satellites of non-Eastern bloc nations into orbit.

Mr. Williams said that the Zenit would be assembled in Australia and payloads integrated at the spaceport. The Soviet Union, he explained, will provide technical training for Australian personnel in the Soviet Union. "But the actual operation of the Zenit launch facilities in Australia would be principally by Australian operatives with support from U.S. representatives," he added.

If the project proceeds, it will be a major competitive challenge to Kourou, the only other international launch site on the equator for commercial satellites.

Cape York is considered an ideal site for an international spaceport because, in addition to being close to the equator, it is in a politically stable country and has predictable weather.

The main U.S., Japanese and Chinese civilian satellite launch sites are more than 28 degrees north of the equator. The Baikonur Cosmodrome, near Tyuratam in the Soviet Union, is 46 degrees north. The main space launch site in Japan, on Tanegashima Island, is operational for only part of the year.

A group of 11 Japanese electronic, communication, construction and financial conglomerates led by Shimizu Corp. have formed a Japan Cape York Space Port Study Group to consider future Japanese participation in the venture. Other corporations in the group are Mitsubishi Electric, Toshiba, NEC Corp., Nissho Iwai, Sumitumo, Obayashi, Taisei, Haza-Gumi Ltd, Sato Kogyo Co. Ltd. and Toyo Construction Co. Ltd.

Mr. Williams said that negotiations with companies in the Japanese study group have been detailed. "Since Japan itself is not well located as a space launch site, the Cape York proposal is of particular interest to them. They clearly see the need for a spaceport in the Pacific and would like Japan to have a leading role in its development."

Essington envisages a holding company to control the venture. It could be a partnership among Australian, U.S. and Japanese companies, with each group having a one-third equity.

MICHAEL RICHARDSON is the International Herald Tribune's editor for Asia.

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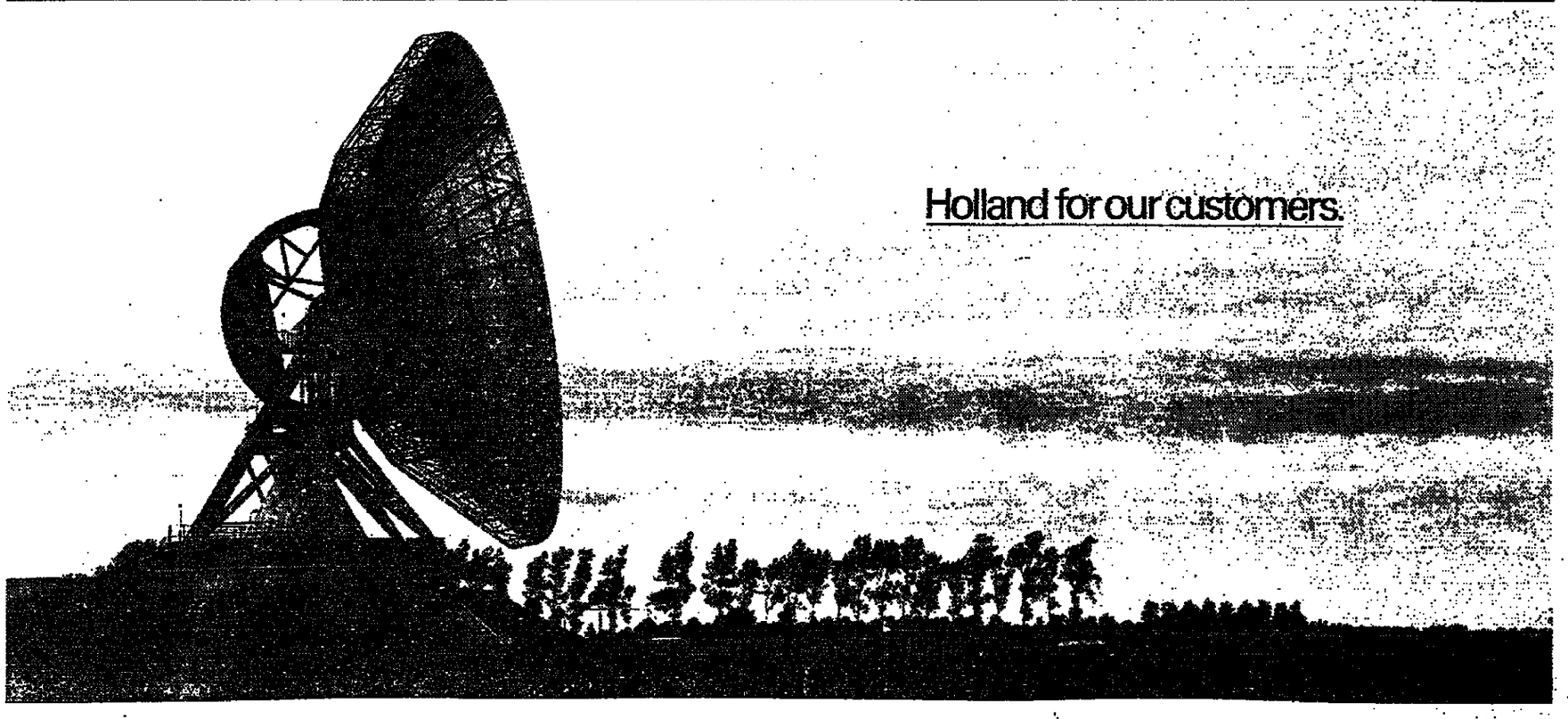

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Nicolai Ascid

Plastics: A 21st-Century Crop?

By Michael Balter

PARIS — The world's appetite for petroleum seems insatiable, and a significant proportion of this nonrenewable resource goes to the plastics industry for use in the production of synthetic polymers. But what if plastic could be grown in the ground, like potatoes or turnips?

Indeed, scientists in the United States and Europe are developing the technology that could make this possible by the end of the next decade. Although researchers caution that technical obstacles make it difficult to predict how soon fields of corn or wheat might be replaced by amber waves of plastic, more modest applications are already possible and may be on the market as early as next year. Moreover, plastics produced by biological methods are fully renewable and biodegradable — properties not shared by synthetically produced polymers.

Although interest in biopolymers has blossomed in just the past two years, the scientific basis for this research stems from a discovery made more than 60 years ago. In 1925, Maurice Lemoigne, working at the Pasteur Institute in Paris, found that certain bacteria, when grown under the right conditions, produce a substance called polyhydroxybutyrate (PHB), a stiff, brittle plastic with properties similar to polypropylene. This may seem like a strange thing for bacteria to do, but the PHB provides them with an energy storage depot, like starch in plants or fat in mammals.

"If you subject them to a limitation in one of the critical substances they need," said Robert Lenz of the University of Massachusetts, "it is a signal to the bacteria to activate this storage cycle. Perhaps it is nature's way of warning them that they are about to face hard times."

ALTHOUGH about 20 families of bacteria have been identified that produce polymers of various types, for several decades they were regarded as no more than microbiological curiosities. But in the mid-1970s, the British chemical giant Imperial Chemical Industries (ICI) began growing large quantities of PHB-producing bacterium known as *Alcaligenes eutrophus* at a pilot plant in Billingham. This species can accumulate the polymer at up to 80 percent of its dry weight. By manipulating the growth conditions, ICI's scientists can stimulate the bacteria to produce a similar but different polymer called PHB-V, which is stronger and more flexible than PHB.

ICI's pilot plant is now turning out about 50 tons of PHB-V per year, and the company plans to expand production capacity to 500 tons by the middle of 1990. Nevertheless, ICI is still thinking about how to market the material.

"The major problem is the cost," said Richard Robson, a company spokesman. "It is still more expensive to produce than petroleum-based polymers. It would not have a good market in those areas where the plastics are not supposed to biodegrade, like piping and so on. But with containers and plastic bags, there might be a potential."

> The major problem is cost, as biopolymers are still more expensive than their petroleum-based relatives.

Interest in biopolymers took a great leap in 1987, when Douglas Dennis at James Madison University in Virginia succeeded in cloning the three genes in *A. eutrophus* that control PHB synthesis. Mr. Dennis then transferred the genes into a more common bacterium, *Escherichia coli*. Although *E. coli* does not normally make PHB, bacteria with the transplanted genes do produce the polymer.

"*E. coli* has a number of advantages," said Werner Lubitz of the University of Vienna, who is collaborating with Mr. Dennis in the development of commercial uses for biopolymers. "You can alter the physiology of *E. coli* much more easily."

The ability to genetically manipulate the final product opens the possibility of designing plastics with a variety of properties. But Mr. Lubitz, who is working with the Austrian consortium Biotechnologische Forschung, said that the biopolymers may never "substitute for other materials, because the plastic available nowadays has a high quality."

"But there may be a variety of medical implications," Mr. Lubitz added. "Biopolymers are nontoxic and can decompose in the body, so they might be useful as sutures or for stabilization of healing bones."

IN THE United States, much of the work on biopolymers is supported by grants from the Office of Naval Research. Michael Marron, manager of the ONR's molecular biology program, explained that the U.S. Navy has a requirement for materials with a high degree of reliability that can be used under a wide range of conditions. "We often operate at high salt, high temperature environments, and we need rubber, plastics, fibers and so on," Mr. Marron said. "Then, there is the strategic point of view, the need to lessen reliance on petroleum. The notion of reaping fields of plastic is very attractive, although still very speculative."

Nevertheless, the first step toward actually growing plastic as a farm crop has already been taken. Chris Somerville, a professor of botany at Michigan State University, has incorporated two of the three PHB-producing genes from *A. eutrophus* into a small plant in the mustard family. Mr. Somerville says that within a few months he should be able to transfer the third gene, and he expects that by next year the plants could be producing limited amounts of plastic. If the experiments are successful, he will try it with turnips or sugar beets.

"This is really space age biology," Mr. Somerville cautioned. "Although I think the long-term outlook is pretty good, there could be problems that we can't foresee. The PHB might bind to something in the plant cell that is essential to its growth and kill it. And then, we can't just produce a little of this stuff. We've got to get it up to the same level of production as starch, and that's a tall order."

Whether or not biological production of plastics will be economically feasible remains to be seen. Yet, a number of scientists say that other factors besides price may eventually make the future bright for biopolymers, especially their biodegradability. "The cost of disposing of solid waste, including plastic waste, is climbing very rapidly," said Robert Lenz. "In New York City, it costs something like $120 per ton, and in Tokyo it's $300 per ton. The cost of that disposal is climbing faster than the cost of producing polymers."

MICHAEL BALTER is a Paris-based writer.

EC to Debate 'Patenting of Life'

By Steven Dickman

MUNICH — It's furry; 6 inches (15 centimeters) long, including tail; weighs about 1 ounce (28 grams), and is found only in captivity. The description fits a lot of laboratory mice but this one is special. It's patented.

Harvard University, whose researchers developed the mouse, and the chemical company Du Pont, which is marketing it, made history in the United States when they obtained a patent on the mouse, which carries human cancer genes. It was the first patent ever granted for an animal by the United States Patent Office.

> How Europe decides to handle the issue could determine the future of its biotechnology industry.

But the hopes of Harvard and Du Pont for a similar decision in Europe were spoiled last June when the Munich-based European Patent Office, or EPO, turned down their application. An appeal has been filed.

How Europe decides to handle the patenting of life, both plant and animal, could determine the future of the biotechnology industry in European countries. In rejecting the Harvard mouse application, EPO sent a message to the European Community that EC-wide regulations are urgently needed.

The issue will likely be settled at the highest political level, both in the European Commission, the executive body for the 12-member EC, and in the member states themselves. The commission issued a directive, in October 1988, proposing greater patent protection for animals and plants. The directive will be examined in the coming months by the European Parliament, which has called a hearing in Brussels beginning Feb. 27, 1990, to discuss the directive. Eventually, the member states must vote on the directive.

THE EPO DECISION to reject the Harvard application was based on clause 53(b) of the 1973 European Patent Convention, which forbids the patenting of "plant or animal varieties," a ban intended to protect the rights of plant and animal breeders.

Harvard, and its counterparts in the European biotechnology industry, have argued that "varieties" are the result of the breeding process alone, and that protecting them does not restrict the patenting of animals produced by genetic engineering. The commission, which cannot touch the convention itself, has advocated a similar interpretation of its directive.

The directive has met resistance from a broad spectrum of objectors, ranging from plant and animal breeders to farmers to those who see in patenting a threat to the genetic resources of the developing world. Their lobby in Brussels has been strengthened by the election of more members of Green parties to the European Parliament last June. Church groups and Green party members in West Germany and other countries have expressed fears that the directive will allow the patenting of human life.

Furthermore, animal welfare activists, whose power is growing in Europe, fear the effects on animals of genetic manipulation.

The nature of the objections is so broad and the arguments, in some cases, so vague, that EC officials fear "a great confusing soup" when the patenting issue comes up for public discussion.

THE AUTHOR of the directive, Sandra Keegan of the EC economics directorate, said that "the suggestion that we plan to patent human life" is "a myth." In addition, Ms. Keegan told a Brussels conference on the patenting of life forms in Europe earlier this year that "just because material is of human origin does not necessarily mean that it has a particularly strong moral significance." These might be seen as fighting words by the angry coalition, led by West Germans, that has objected to an EC program to sequence the human genome, the complete set of genetic material which embodies the instructions describing each human being.

Even the European biotechnology industry, which the directive is supposed to help, fears the consequences of some of its provisions. For instance, one provision forbids the use of "previously known processes" to create material submitted for a patent. "If we take it literally," said Anne-Marie Bouckaert of Plant Genetic Systems in Ghent, "it will eliminate all patents of plants," including some that have already been granted. The provision, she concludes, "will have to be deleted."

European officials refuse to be pressured by the apparent head start of the United States in animal patenting. "We think we are in line" with the developments in the United States, said Dirk Brouer of the West German Justice Ministry. "There is only one animal patent and four or five plant patents in the U.S.," so Europe is not that far behind, he said.

But European companies, which have invested huge sums in applying genetic engineering to agriculture and animal husbandry, see it differently. EPO has granted patents to a handful of plants, but further applications for both plants and animals are piling up.

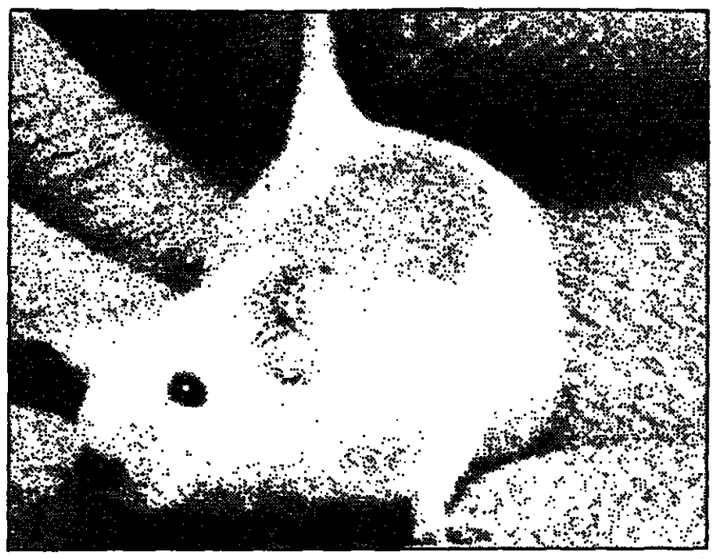
What will happen if there is no consensus and the status quo prevails? A study done in 1985 by the Organization for Economic Cooperation and Development concluded that "there is no other field of technology where national patent laws vary on so many points as they do in biotechnology."

Ms. Bouckaert fears chaos: "The national patent offices will not accept the patent decisions of EPO, and the market will be fragmented and unpredictable from country to country."

The commission itself recognized the need for legislation as early as 1983. In a report on biotechnology, the commission wrote that the "lack of European strength in biotechnology results principally from the fragmentation of its efforts in research" and from the absence in Europe of a "favorable environment for innovation."

An EC official puts it more succinctly: Patenting "will be a life-and-death issue, especially for small companies."

STEVEN DICKMAN is Munich correspondent for Nature, the British journal of science. He writes about politics and science in German-speaking Europe.



The European Patent Office rejected an application to patent the so-called Harvard mouse, which carries human cancer genes.

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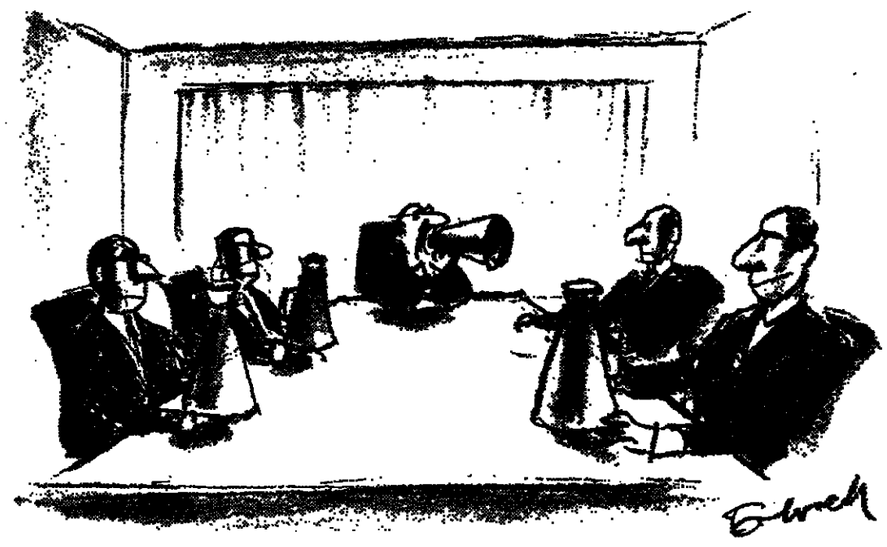

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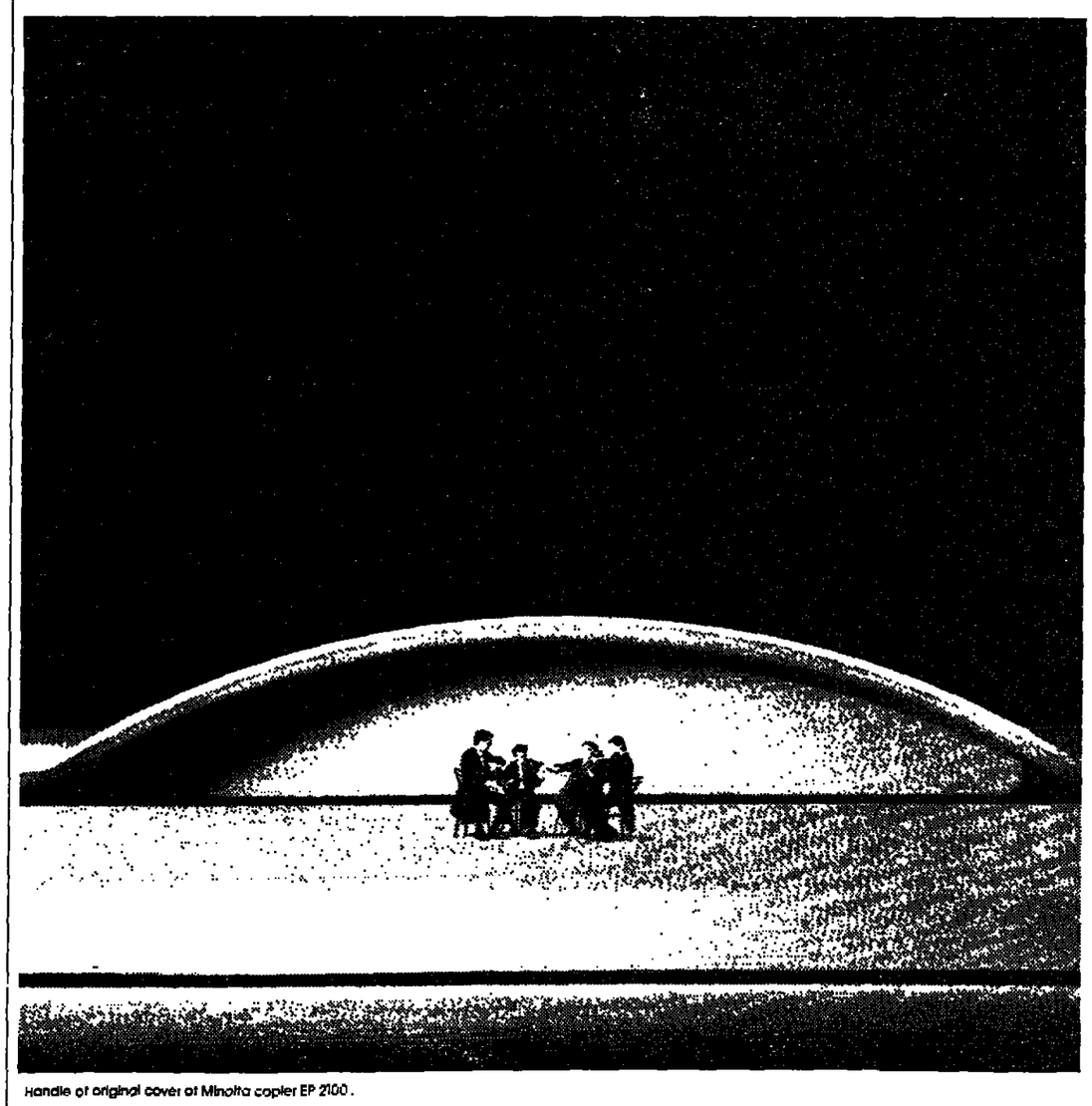

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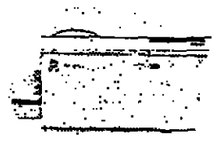

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Technology Quarterly

An Instructive Model For Rising Sea Levels

By Henry Tanner

PARIS — "It's the first thing astronauts see when they look down on this part of the world," says Peter C. Schröder of the huge complex of dams, movable sluice gates and other installations that the Dutch have built to keep high seas from flooding the Eastern Scheldt Delta, which is part of the mouth of the Rhine and has the great harbors of Rotterdam and Antwerp as its neighbors.

The $4 billion Delta Project was launched after the dikes broke during a violent storm in 1953 and more than 1,800 people were killed. This was before scientists' warnings about global warming and the threat of rising oceans.

The original plan was for a series of solid dams to close off the delta permanently from the sea. But this would have destroyed the ecological balance, transformed the economy and changed the inhabitants' lives.

When the ecological threat was recognized, the Dutch parliament decided to replace the longest solid dam with a 5.5-kilometer (3.5-mile) storm barrier consisting of 61 movable gates, which nearly doubled the cost of the project. The gates have to be closed for only a few hours a year — and thus leave the delta's ecological balance intact.

Today, with world attention focused on the ecology and the threat of rising oceans, the Dutch complex is seen as the culmination of one nation's centuries-old experience and as a state-of-the-art model of coastal defense.

"People with sea problems from all over the world are coming to us for advice," says Mr. Schröder, the head of international operations of Delft Hydraulics, a nonprofit semi-government foundation that has been specializing in sea-related problems for 62 years. The foundation is an executive agency of UNEP, the United Nations Environment Program.

It has made detailed on-site studies of the impact of rising oceans on societies behind the coasts of Italy, Egypt, India, Indonesia, the Maldives, Bangladesh and others. It has drawn up a map of the world's most exposed areas.

Dutch experts caution that the expected rise — 25 to 40 centimeters (10 to 15 inches) by 2050, according to the most recent estimates — is not a simple, uniform threat affecting all coasts equally.

"People are worried about their houses and their towns and ask us what they should do to protect them," says Mr. Schröder. "We ask back. What's your soil like, how many people live there, how do they make their living, what is industry like, how much ground water do you extract for drinking?"

Cultural, political and financial factors enter into the equation.

The Netherlands, though the largest single black spot on the map, is not the most vulnerable. It is rich enough to build the most expensive permanent structures. It has the experience and the organizations for dealing with the sea. And its monitoring system is among the most sophisticated in the world.

DELFT Hydraulics has developed a model that measures the sea-level impact on a given society by computing all the local economic activities, measuring the extent of the threat and calculating the cost in human and financial terms of various defensive measures.

Since the impact is different in each area — inflicting enormous damage on some societies and affecting few people in others — the solutions must be tailored to each case. The sophisticated Dutch model is not valid for many.

Coping with the impact of the rising sea is not only a matter of raising the height of dams and improving tidal drainage systems and harbors. It may require measures of enormous social impact — including the evacuation of thousands of people, deep economic changes and new legal and tax systems.

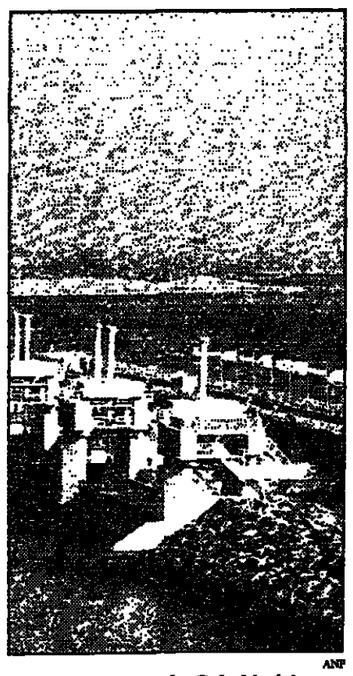
There is an "enormous time lag — from 30 to 50 years — between the moment the threat is recognized and the moment the defensive measures become effective," a recent Delft Hydraulics report said, adding that during this time the oceans will continue to rise.

According to Mr. Schröder, experts are increasingly looking for "soft" solutions — that is, restoring the natural environment — instead of building new dams and other hard structures. Soft and hard solutions may often be combined.

One soft solution is "beach nourishment," in which sand is grated off behind the shore and stuffed into the holes that have opened on the coast, replacing the sand that the ocean has washed away.

Governments around the world are beginning to make greater efforts to reduce the emissions of gases that cause the global warming and hence the rising of the oceans. But, said Mr. Schröder, the momentum of the greenhouse effect is such that even if all noxious emissions were eliminated, the oceans would continue to rise.

HENRY TANNER is on the staff of the International Herald Tribune.



ANP

Surge barrier on the Scheldt delta.

Fiber, Satellite Competition Increases

Continued from page 17

ally infinite capacity — lab tests now allow single strands of fiber to carry 36 billion bits of information per second. Its signals remained truer to the original, could be easily mixed with others, and traveled further before growing weak and needing the boost of a repeater.

In long-distance networks it was harnessed first on land, where the technical challenges were simpler. But international calling was growing at remarkable speed — between 1975 and 1987, U.S. foreign traffic, excluding Canada and Mexico, increased almost twelvefold — and there was a race to make fiber work underwater. "Everybody is pushing the technology because the demand is there," says James M. Barrett, deputy director of international engineering for American Telephone & Telegraph Co., a major shareholder in TAT-8.

The first international underwater cable entered service in 1985, covering the hop between Britain and the Continent. TAT-8 came three years later. It could carry about 40,000 simultaneous phone calls, doubling the capacity of all existing copper cables. The second Atlantic line, known as PTAT and switched on this summer, could handle 85,000 calls.

Conversations flow with better quality than conventional copper cables and without the annoying half-second delay that is unavoidable with satellites as the signal travels out into space and back, a 45,000-mile round trip. "Whoever has made a call through PTAT has been able to feel the difference," says Paolo Guidi, president of Sprint ISS, the international arm of US Sprint Communications Co. (Sprint and Cable & Wireless each own a 50 percent share of the cable.)

But in practice a good portion of their capacity goes not to conversations but to the faster-growing category of data — computer transmissions, electronic mail, facsimile. Unlike copper cables, fiber can also carry video, a capability that is finding use in corporate video conferencing.

SATELLITES ranked as the communications industry's great glamour technology when they were first sent aloft in the mid-1960s. Today, they are so common and reliable as to be taken for granted, a troubling development to their operators. Communications Satellite Corp. (Comsat), the U.S. member of Intelsat, has been running public-awareness ads to remind the world of their importance, not to mention existence.

Intelsat and its individual members initially responded to the new competition, both from fiber and privately owned satellite systems, by trying to prevent it from starting up at all. They argued it would undermine the financial viability of an institution that by everyone's admission had helped create a world community.

The blocking maneuvers turned out to be futile. Competition was sweeping the world of telecommunications in the 1980s, and the international market was to be no exception. The

> 'You want diverse routes for all the problems that may come up.'

cables were laid quickly, and last year the first privately owned international satellite, operated by a Connecticut company called Pan American Satellite, soared into orbit.

As the decade closes, satellite people are finding the new world is not so bad after all. Comsat has signed agreements with AT&T and other U.S. carriers to guarantee satellites a piece of future international growth or to put existing circuits on long-term lease. Long-distance companies, it turns out, like fiber, but they like backups, too. "You don't want all fiber; you don't want all satellites," says Richard J. Callahan, executive vice president at US West, an American regional phone company. "You want diverse routes for all the problems that may come up."

Satellites are also assured substantial security through their very nature as a communications medium. While fiber makes increasing sense on densely traveled corridors such as New York-London, it is not economical on many of the less busy routes, which are by far the more numerous. Set up a satellite dish in two spots and you have a link. There is no need to incur the huge cost (TAT-8 cost $360 million) and time of laying a cable.

Satellites, once delivered successfully into orbit, generally operate 10 years or more with little or no trouble. Cables, in contrast, can be cut. Intelsat watched with some satisfaction as TAT-8 was knocked out of service five times in its first eight months of operation, forcing its owners to send crews out to raise the cable and fix it. In the meantime, the traffic was diverted temporarily to satellites — "the wave of the past," in some fiber-proponents' words.

Intelsat, meanwhile, has been noticeably faster at introducing new services since competition appeared. Many employ digital technology; fiber's proponents do not like to admit it, but much of what fiber can do, satellites can do, too. This October, the consortium launched the first of its Intelsat VI series of satellites, the largest commercial model ever to enter orbit, weighing 3 tons (2.8 metric tons), standing 39 feet tall (12 meters) and capable of carrying 120,000 calls and three television channels simultaneously.

The fiber camp is also hard at work on new capacity. Regional cables are being laid to link the growth economies of East Asia, and plans are advancing for more crossings of the Atlantic and Pacific. Serious thought is being given as to how to complete the loop around the world. "You want to have a ring going in either direction," says Steve Kropper, senior consultant for International Data Corp. of Framingham, Massachusetts. "That way, if you get cut at any point, you can send communications back around the other way."

France and Singapore are talking of laying a $600 million fiber cable between them by way of the Mediterranean, Suez Canal and Indian Ocean, with possible branches to countries along the way, to be in service by 1994. Also being discussed is a trans-Siberian cable, projected to enter service in the mid-'90s.

The project is the proposal of a nine-member consortium led by US West and the Soviet government's telecommunications agency. The Western allies generally ban sale of fiber technology to the Soviets, but *glasnost* and the dramatic opening of Eastern Europe this year has led members of the group to hope the political barriers may be about to come down. One enthusiast is Christian Schwarz-Schilling, the West German minister of posts and telecommunications, who calls it a "fiber optic railroad" that would spur economic development along its path and help integrate the Soviet Union with the Western world.

JOHN BURGESS writes on technology issues for The Washington Post.

Micro System Challenges IBM

Continued from page 17

architecture, called Micro Channel, for its high-performance PS/2 computer line.

Depending upon configuration, the new Compaq Systempro machines, which are designed to work as file servers in networks linking as many as 100 personal computers, cost between $16,000 and $30,000.

That is approximately one-fifth the price of larger minicomputers such as IBM's AS/400 Model 830, Hewlett-Packard's 9000 Model 835 or Digital Equipment Corp.'s VAX Model 6310. Compaq says the Systempro is three to nine times faster than the rival minicomputers.

Industry analysts and computer dealers have had high praise for the Compaq machines and the new architecture.

"It could be a major coup against traditional minicomputer makers, who are saddled with very high selling and administrative expenses," said Kevin McCarthy, an analyst with Wall Street investment firm Mabon Nugent & Co.

Rick Inatome, president of Inacomp Computer Centers Inc., a major U.S. computer chain, said, "The capabilities of these systems and minicomputers are almost identical."

Although much of the initial attention of the new machines has been focused on the U.S. market, it is likely that European business computer customers will ultimately have a large say in how successful the new technology becomes.

With the growth rate of U.S. microcomputer sales easing, Compaq and the other vendors introducing the more powerful microcomputers view the European market as especially critical in 1990.

IBM has been selling Micro Channel personal computers for more than two years. The company sold more than 700,000 personal computers in Europe last year, with nearly 500,000 of them incorporating the Micro Channel bus standard, according to Dataquest Inc., a California market research firm. That provides IBM with a substantial lead.

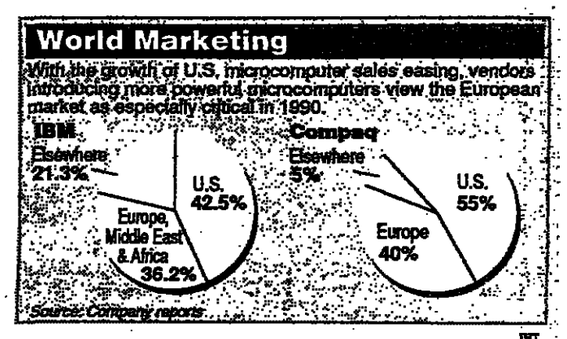
Compaq and the other EISA proponents formed a European consortium, called EISA-Europe, earlier this year and are stepping up efforts to gain exposure for the new machines.

The European market contributes close to $1 billion annually to Compaq's revenues.

AL SENIA is a Los Angeles-based business journalist specializing in high technology.

World Marketing

With the growth of U.S. microcomputer sales easing, vendors introducing more powerful microcomputers view the European market as especially critical in 1990.



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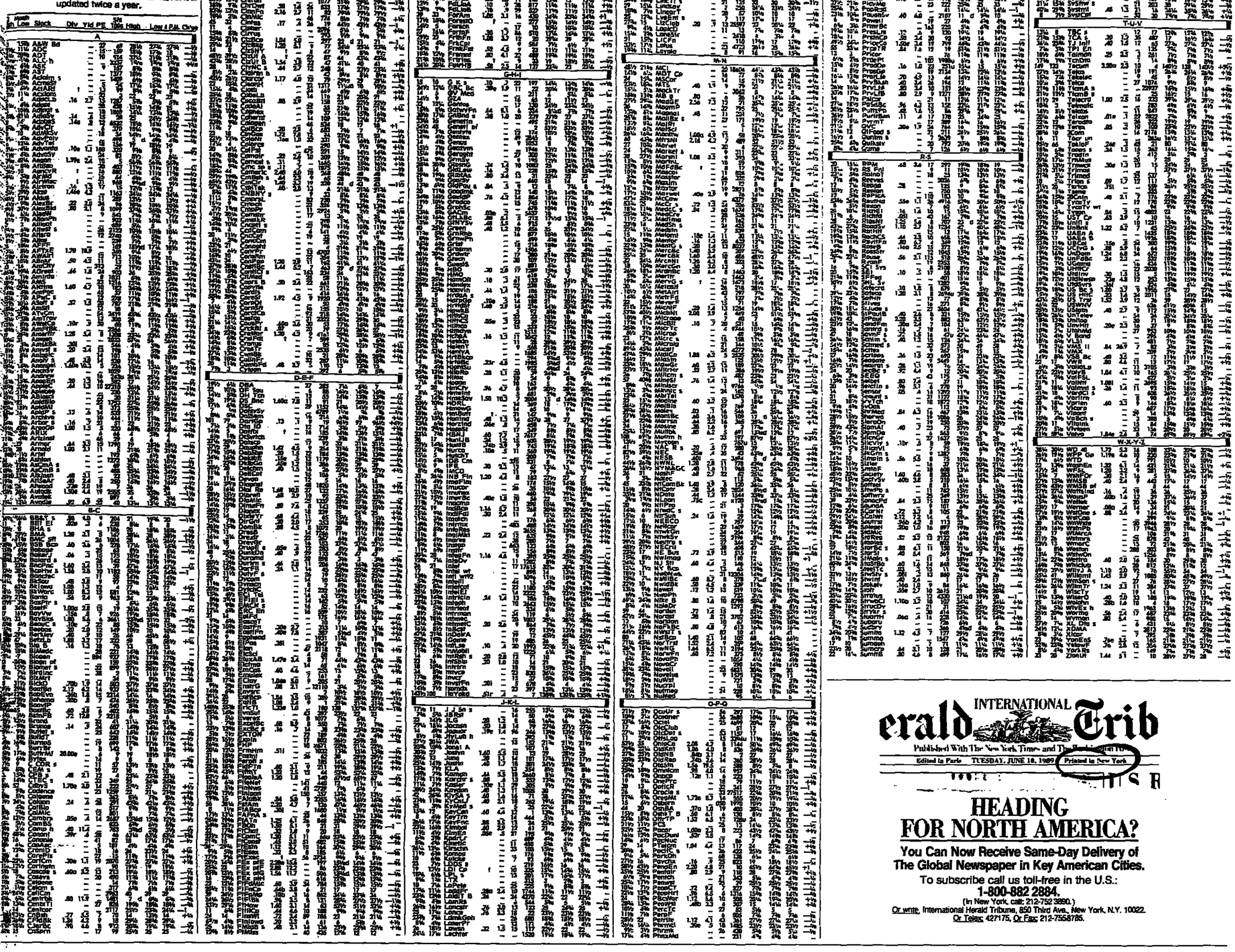
Thursday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



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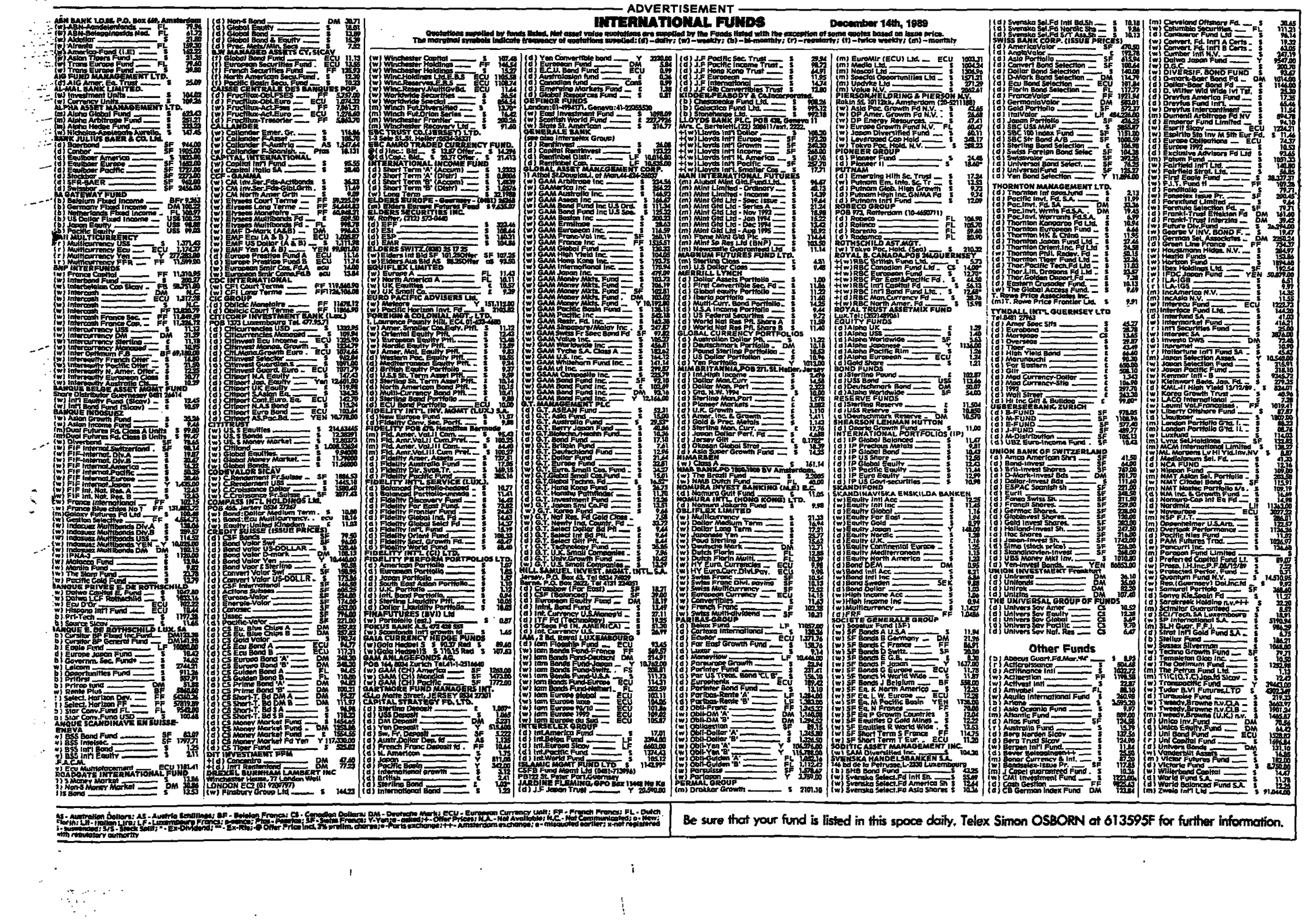

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SPORTS

Australia Asks to Have Swim Record Ratified

Reuters

ADELAIDE, Australia — The governing body of Australian swimming said Thursday that it would ask the sport's world federation to ratify the 1,500-meter freestyle world record denied Glen Housman by a technical malfunction.

Housman, 18, on Wednesday became only the second man ever to break the 15-minute barrier during a heat at Australia's Commonwealth Games trials, but the automatic timing system failed to register his finish.

Hand-held stop-watches clocked him at 14 minutes 53.59 seconds, 1.17 seconds faster than the world record set by Vladimir Salnikov of the Soviet Union in Moscow in February 1983.

The 1,500, international swimming's longest race, is also one of the sport's premier events, and Salnikov's record had stood an unusually long time.

Craig McLatchey, executive director of the Australian swimming federation, said expert advice was being taken and a submission would be sent to the International Swimming Federation (FINA) in the next 48 hours.

"We will be putting forward every possible argument," McLatchey said. "As far as we are concerned, Glen Housman is the fastest man over 1,500 meters, but let's try to get him the piece of paper as well."

He conceded, however, there was little chance of FINA bending its rules and accepting the new mark. The federation accepts only electronic timings for world records.

Housman's coach, Ian Findlay, was furious when he discovered the technical hitch. He predicted Thursday that the swimmer would break the record at January's Commonwealth Games in Auckland, New Zealand.

"The kid will break it again and again and again until his name is indelibly written in the record books as the man who sank Salnikov," he said. "This is just the beginning for the kid."

Claims by officials that the swimmer, and not the equipment, was at fault lost credence on Thursday when the timing equipment at the trials failed completely during two heats of the 50-meter freestyle.

Housman said Thursday, "I think if nothing comes of what Australian swimming is going to do, I will just put it behind me."

"I'm not going to let it get to me. I still have plenty of time left and I'm sure I can do it again in Auckland."

Reuters

Glen Housman vows to break the 1,500 freestyle record again.

Depleted Oakland Gets Help

The Associated Press

OAKLAND, California — After losing free agents Dave Parker, Storm Davis and Tony Phillips in the last 10 days and seeing rivals Kansas City and California help themselves, the Oakland Athletics decided it was time to get back into the market.

The World Series champions got pitcher Scott Sanderson on Wednesday and also added catcher Jamie Quirk.

Sanderson, 33, posted an 11-9 record with a 3.94 earned-run average for the Chicago Cubs last season. He pitched in 37 games, 23 of them starts.

Sanderson got a one-year contract for $750,000 and likely will take the starting spot left by Davis, a 19-game winner who went to the Kansas City Royals. The Royals, who finished seven games behind Oakland in the American League West, also signed National League Cy Young winner Mark Davis this week.

Quirk, 35, was with Oakland, Baltimore and the New York Yankees last season. He batted .176 in 47 games.

The California Angels, who came in eight games behind Oakland and got free agent pitcher Mark Langston two weeks ago, re-signed catcher Lance Parrish on Wednesday.

Parrish was declared a free agent on Nov. 28 by arbitrator George Nicolau, who had found owners guilty of conspiring against free agents.

Parrish, 33, got a three-year contract worth $6.75 million. He made $1 million last season when he hit 17 home runs, an Angels' record for a catcher.

The Montreal Expos, trying to rebuild a rotation that lost Langston, Bryn Smith and Pascual Perez to free agency, reached agreement with Dave Schmidt.

Schmidt was 10-13 with a 5.69 ERA for Baltimore last season, the first time in his eight-year career his ERA was over 4.00.

Frank DiPino, with a 9-0 record and a 2.45 ERA in relief for St. Louis, re-signed with the Cardinals. His two-year contract is worth $1.65 million.

Boston re-signed free agent pitcher Mike Smithson for one year. He was 7-14 with a 4.95 ERA.

On Chile Sanctions, FIFA Got It Right

International Herald Tribune

LONDON — The pomp and circumstance of a World Cup draw broadcast to 500 million, even the papal blessing on the event, count as nothing compared to a decision made in the quiet of a Rome committee room last weekend.

That decision could literally save soccer from its own destruction. I refer to the penalties of lifetime bans on those involved — and not just players — for Chile's vile attempt to fake an injury to its goalkeeper and thus to undermine the basic ethic of sport.

The International Federation of Football Associations, soccer's governing body, had already punished Roberto Rojas, the goalkeeper. It did not have to go public on the eve of its big show on the seamier side of its game.

But the executive committee, showing a responsibility rare in sports administration, rarer still to soccer, announced suspensions of other conspirators, from Chile's soccer president down to its medical staff.

At last, at long, long last, men chosen to lead in sport have had the decency to do so. They have told the villains that they are not wanted on the field or in the administration, and the sweep of their justice has to be seen in its entirety to be fully appreciated.

As one who stated often enough that I doubted FIFA had the will to clean up soccer, I salute the executive committee. Moreover, I think it right to publish the full extent of its ruling.

We should consider this against the stated aim of the International Olympic Committee to reinstate sprinter Ben Johnson as soon as he has served the two-year ban customary for athletes caught taking drugs.

We should see FIFA's ruling in the light of the majority of so-called sports authorities, which pay no more than lip service to abuses by competitors.

Rojas faked injury during a World Cup qualifying match against Brazil in Rio de Janeiro on Sept. 3. A signal flare, fired by a stupid Brazilian woman from the stands, landed close to Rojas, who collapsed dramatically and was carried, apparently bloodied, from the field by teammates who refused to return and tried to claim victory by default.

Rojas was later accused by FIFA's general secretary, Sepp Blatter, of "the biggest swindle in the history of FIFA" and banned from all soccer for three months and from international matches for life.

At that point, I suggested in this space that his accomplices in the Chilean soccer federation to be barred from at least the next World Cup.

It is easy to dispense such justice from a word processor. I never imagined that FIFA would dare to pronounce these 12 penalties:

1) Life suspension for Sergio Stoppel, the president of Chile's soccer federation at the time of the incident.

2) A five-year suspension from national soccer and life suspension from international soccer for the team's coach, Orlando Aravena.

3) Life suspension for the team's doctor, Daniel Rodriguez, for writing a false medical report.

4) A five-year national and international suspension for Fernando Astengo, the vice captain who led the players off the field.

5) Life suspension at national and international levels for Rojas.

6) A censure for Guillermo Weinstein, the current Chilean federation president, and for federation officials J.L. Trejo, R. Torrealba, J. Las Heras and R. Sabamdo, who were at the game.

7) A one-year suspension at national and international levels for a physiotherapist, Alejandro Koch, for complicity with the doctor.

8) A one-year national and international suspension for N. Maldonado, responsible for playing equipment and for the disappearance of Rojas's gloves and jersey.

9) Denunciation to the IOC, with a request for sanctions, against Dr. B. Chemilo, medical officer to the Chilean Olympic Committee, for having signed a fraudulent medical certificate.

10) Denunciation to the Chilean government, with a request for sanctions, against Dr. A. Gutiérrez and D. Montaya of the forensic service for having signed a fraudulent certificate.

11) A fine of $63,000 against the Chilean federation.

12) Exclusion of the Chilean national team from the 1994 World Cup.

ROB HUGHES

BETWEEN THE LINES you can glean the extent of the fraud and the cover-up. So high do the violations reach, breaching not only the honor of sports but the medical oath, that Chile has nothing to defend.

"Certainly we are not happy," Weinstein said. "But we thought it could have been worse. We were expecting an exclusion for four years from all international competitions, not just the World Cup."

Here, again, I believe FIFA got it right. Total exclusion punishes too many innocent sportsmen, as the ban on all of Mexico's teams for cheating at the youth level demonstrates. Punishment should do two things: establish the competency of the ruling authority and deter others who might interpret weakness as an open invitation to cheat.

Mission accomplished. However, there are worrying postscripts:

Brazil's soccer federation escaped with a derisory $10,000 fine for the crime that sparked this atrocity. Rosemary Melo Nascimento, the 24-year-old secretary who fired her weapon in the stadium, seems to have been enriched in the aftermath.

The Brazilian soccer federation says it is *going to sue her.* Meanwhile, the lady has become a celebrity, appearing in the Brazilian edition of Playboy magazine, and is about to be embraced by the game she so wilfully disgraced.

It appears that Rojas, who was sacked by his Brazilian club, São Paulo, will resume his career in the southeast of Brazil. A small-town team, São Bento, has signed him for six months. "It is part of an aggressive and daring plan to improve our performance," explained the team's president, Edgard Moura.

Another part of his plan is to finance Rojas's wage from a consortium of private business, including one called Caramaru, which manufactures signal flares.

Audacious? You ain't seen nothing yet. Word is that when Rojas takes the field for his new team, a certain lady will make a guest appearance.

You don't need me to spell out her name.

It would seem that Chile has, rightly, been summarily dealt with. But Brazil is profiting all the way to the Banco do Brasil.

Some observers are asking what would have happened had the national roles been reversed? Would FIFA have punished mighty Brazil as equally?

Rob Hughes is on the staff of the Sunday Times. His column this week was delayed; it returns next Wednesday.

Is Nothing Sacred? Softball Going Yellow

The Associated Press

CHICOPEE, Massachusetts — First it was tennis balls. Then golf balls. Now the classic American softball is turning yellow.

Spalding Sports Worldwide, a leading manufacturer of the grapefruit-sized, synthetic leather balls used by millions of Americans in weekend athletic leagues, unveiled its new "optimum visibility" model this week.

The Chicopee-based company is pitching the yellow balls as the latest entry in an apparent crusade against the time-honored excuse, "I couldn't see the ball."

The new ball, which costs about $4, is expected to go on sale by mid-January.

"It's different," said Frank LaTeano, coach of the Superior-Apollo team, which won the U.S. Softball Association's World Series in Omaha, Nebraska, this year.

"From what I could see, my guys they like it because you can see it better; it's as simple as that," he said.

"They watch the ball coming from the pitcher and, if they can see it better, they believe they can hit it better. And even if they can't, they believe it."

The yellow ball has been approved by governing bodies of the sport, including the Amateur Softball Association.

But turning traditional white balls yellow has met with some resistance in the past, most notably in tennis, Spalding officials said. They said that the venerable championships at Wimbledon held out for several years before allowing yellow balls.

One advantage of a yellow softball is that it will extend play at night.

"At dusk, we've been told, you get 20 additional minutes," David W. Reinhart, Spalding's product manager, said. "A lot of fields are a bunch of cow pastures with lights that are not very good."

Is a glowing football coming next?

Reinhart and Jack Lacey, vice president for leisure products at Spalding, said they didn't think so, although some experimentation is under way with putting colored strips along the sides of footballs. "Football, it's a very traditional sport," Lacey said.

"If you tried to introduce a yellow baseball, it would fail miserably," he added.

Softball's beginnings are traced back to 1886, when a group of Chicago firemen began playing "broomball," using a broom to hit an old boxing glove.

The 56-year-old Amateur Softball Association estimates that as many as 20 million people now play softball in the United States. The game's rules are similar to baseball, and it is particularly popular with men and women in their 30s and 40s who play on recreational teams sponsored by clubs, restaurants and businesses.

U.S. May Land An Itinerant Star

The Associated Press

LONDON — Roy Wegerle, the soccer player qualified to represent four countries, has chosen the United States ahead of England, Scotland and West Germany, press reports said Thursday.

Wegerle, who has an American wife and used to live in Florida, ended weeks of speculation about his international career by opting for the Stars and Stripes in hopes of gaining a World Cup place on the team.

Wegerle, whose mother was born in Scotland and whose father was born in West Germany, also is qualified to play for England through residency rights.

Earlier this week, England's team manager, Bobby Robson, said he wanted Wegerle in his squad following the forward's £1 million ($1.6 million) transfer from Luton to Queens Park Rangers in the English first division.

But Wegerle, a former Tampa Bay Rowdies star, said his allegiance was with the United States.

Wegerle said he had been told that U.S. officials were trying to rush through his qualification in time to play in the World Cup.

BOOKS

SOME FREAKS

By David Mamet. 180 pages. $16.95. Viking Inc., 40 West 23d Street, New York, N. Y. 10010.

Reviewed by
Christopher Lehmann-Haupt

TO whom — or what — is David Mamet referring in the title of "Some Freaks," his second collection of essays, his first having been "Writing in Restaurants" (1986)?

Anyone familiar with such plays of Mamet's as "American Buffalo," "Glengarry Glen Ross" and "Speed-the-Plow" or such films as "House of Games" and "Things Change" knows that he is fascinated by extremes of human behavior.

So the freaks in this absorbing collection of 29 pieces are mainly psychological ones, with a few exceptions like a wolf Mamet once saw wandering in Central Park or the character of Superman. Yet Superman, too, is a case.

Mamet considers his adventures to be a fable of disintegration, appealing to the preadolescent mind "not because they reiterate grandiose delusions, but because they reiterate a very deep cry for help" from an individual who is vulnerable because his childhood has been destroyed.

A depth psychology of Superman comics? Is Mamet putting us on? Not at all. As in "Writing in Restaurants," an extraordinary variety of subjects catches his attention in "Some Freaks," among them handguns, the theater, playing cards, Stanislavsky, screenwriting, politics, boxing, Disneyland, and the decor of Jewish homes.

A parade for the 60th anniversary of Mickey Mouse prompts a meditation on how Disneyland, like "any other totalitarian state," promotes "the internalization of authority, and its transformation into a Sense of Right." The way that Charles Atlas's body-building program used to arrive in the mail in plain-brown wrappers reminds him of the sense of shame that he felt underlying the Reform Judaism of his Chicago youth.

"Our religion was nothing other than a corporate creed and our corporate creed was an evasion," he writes. "It was this: We are Jews, and we are Proud to be Jews. We will express our Jewishness by behaving in every way possible exactly like our Christian Brethren, because what they have is better than what we have."

The remark by President Ronald Reagan that in his heart he did not trade arms for hostages provokes Mamet to condemn people in authority who think *they know best what is good for those* dependent on them: "Political corruption in pursuit of a personal vision of the public good is limited by nothing at all, and ends in murder and chaos, as it did in Nazi Germany, and as it does today in Central America."

A tiny, superfluous gesture by a television actress leads Mamet to observe: " 'Realism' — the concern with minutiae as revelatory of the truth — was an invention of the 19th century, when the Material seemed to be, and, perhaps, was, the central aspect of life. Our own time has quite understandably sickened of the Material, and needs to deal with things of the Spirit."

So by the accretion of details that most of us pass over without a second thought, Mamet's passions are gradually revealed. They concern the relations of men and women to each other and the world, the achievement of the truth in artistic endeavor, and the attitudes of a citizen toward his country.

Yet in his indirect way, he is passionate in promoting his own particular causes. The various pieces on theater in "Some Freaks" add up to an eloquent articulation of Mamet's aesthetic: "We cannot say that any technique is more correct than another, cave painting is not more 'real' or more 'beautiful' than the perspectives of Caravaggio or the semi-abstract skies of Turner; all rely on conventions; and when we say that any work is an absolutely realistic depiction, we mean only that we find it beautiful — it *responds to some of our preconscious* views of the world; i.e., it reflects what we think, but we didn't know we thought until we saw the painting. In the words of Wilde, 'We didn't have these pea soup fogs till someone described them.' "

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

NO match could have been closer than the final of the Mexican grand National Teams played last week in Mexico City. After 64 deals, the score was exactly tied, with each team having 165 imps, and the title was shared. One winning team consisted of Gonzalo Herrera, Miriam Rosenberg, Nancy Gersen and Magy Rosenfeld; the other had George Rosenkranz, Miguel Reygadas, Laura Mariscal, Alicia Durán and Elias Konstantinovsky. Both teams will advance to represent the country in the 1990 world championships in Geneva. The Herrera team would have won the match if a difficult lead problem had been solved on the diagramed deal. South landed in six spades after an auction in which North's five-heart bid asked for a heart stopper rather than promising one as it would in standard methods. East's double of six spadeas was clearly the Lightner variety, suggesting an unusual lead. It suggested a void, clearly in one of the minor suits. West had no doubt it was in clubs, and led the queen. South had better information and knew that East was hoping for a diamond lead. He therefore covered with the king of clubs, losing the first trick but making the slam. In the post-mortem the players discovered that East could have saved the day by bidding six diamonds over five hearts. That would have solved West's lead problem. In the replay North-South were pushed to seven spades, a hopeless contract that was doubled and down two when West found the diamond lead. The Rosenkranz team gained 19 imps.

NORTH
♠K2
♡84
♢AK8432
♣K105

WEST
♠87
♡A76
♢75
♣QJ8732

EAST (D)
♠J9
♡KQJ10853
♢2
♣A94

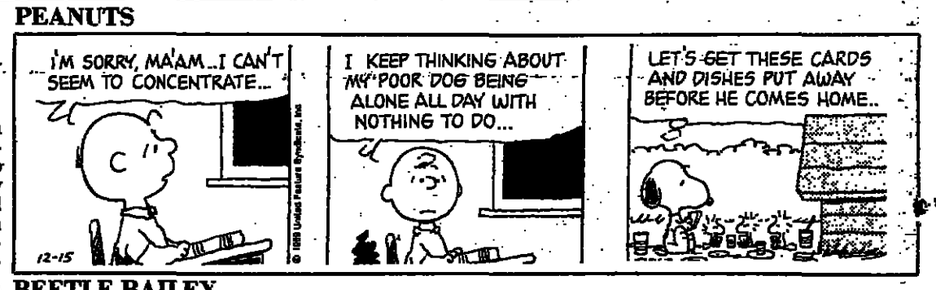
SOUTH
♠AQ106543
♡—
♢QJ1096
♣8

Both sides were vulnerable. The bidding:

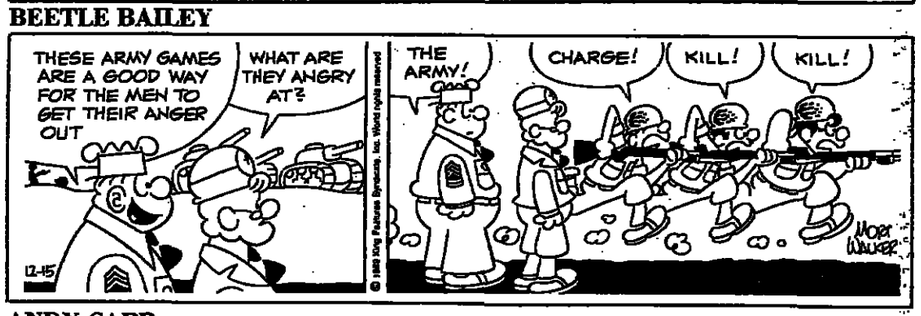
East	South	West	North
1♡	4♠	Pass	5♡
Pass	6♠	Pass	Pass
Dbl.	Pass	Pass	Pass

West led the club queen.

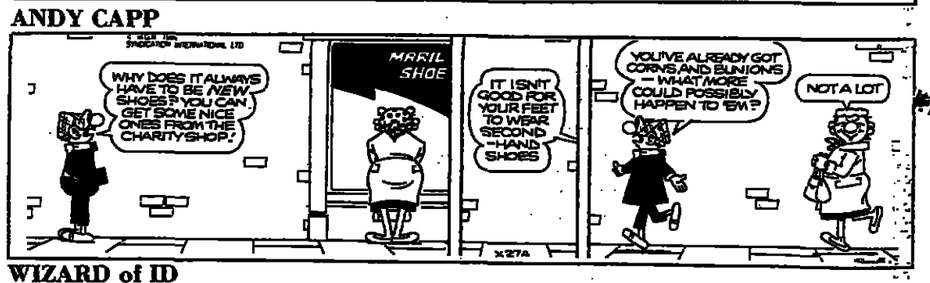
PEANUTS



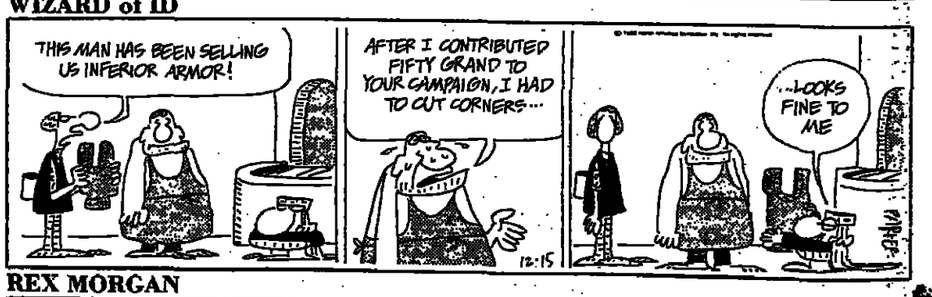
BEETLE BAILEY



ANDY CAPP



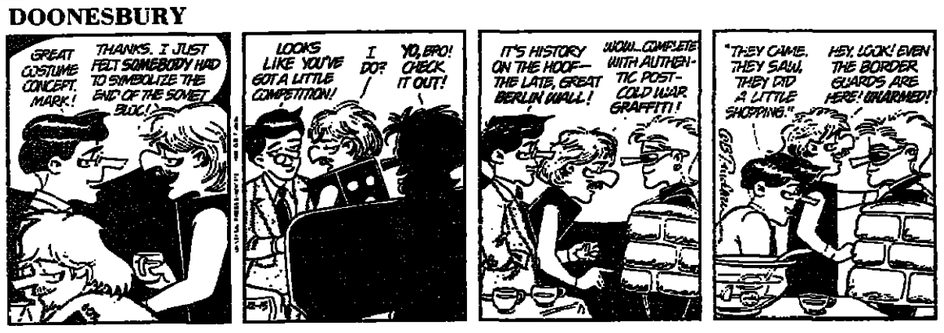
WIZARD of ID



REX MORGAN

GARFIELD

DOONESBURY



DENNIS THE MENACE

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

VENOL

SINUM

TOWPUN

GLUTLE

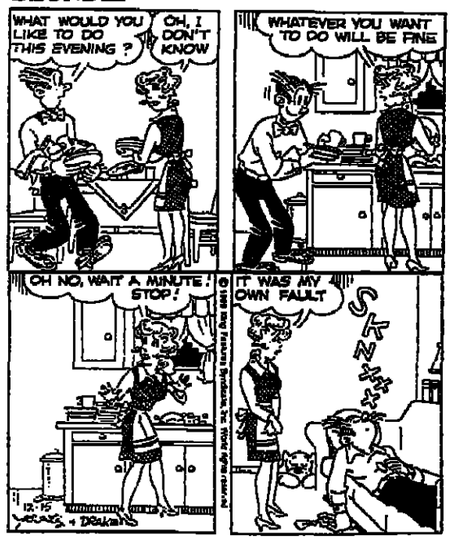
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: "____ ____"

(Answers tomorrow)

Yesterday's Jumbles: BRAVE COLON DELUGE ADAGIO
Answer: This might help a gambler win a good deal of chips—A GOOD DEAL

BLONDIE



هكذا عن الأصل

SPORTS

Legendary Hialeah Park Limping in the Stretch

By Laura Parker
Washington Post Service

HIALEAH, Florida — Nobody remembers all of the big names who have played the horses at Hialeah Park, not even Hester Root, who set up the track library last year to preserve some of the history of this legendary place.

Joe Kennedy Sr. brought starlets here. When Winston Churchill played, the track management had all of the coconuts removed from the royal palms on the grounds, so that none could fall on him. The Duke and Duchess of Windsor dropped in regularly from their exile in the Bahamas. Al Capone hung out here, as did his nemesis, J. Edgar Hoover.

So famous was Hialeah, with its pink flamingos in the infield and Palm Beach high society in the clubhouse, that one of John F. Kennedy's opponents was able to use JFK's attendance there against him in Kennedy's first race for Congress in 1946.

The big names are long gone. So, now, are the big horses. Hialeah Park suffers from a prolonged decline, possibly terminal. The track, which will celebrate its 65th birthday if it survives another month, has been running head-to-head this season with another South Florida track, Calder Race Course. Hialeah is losing.

When both tracks opened Nov. 18, attendance at Calder more than doubled that at Hialeah. So few people went to Hialeah that day that the track set a new record for attendance: 4,114, the all-time low for an opening day.

Last Sunday, the track advertised free admission to lure patrons. Only 5,526 showed up, and a fair portion were children under 5, not bettors. King's Manor won the fifth race, which, for a big track, paid a pitifully small purse: $3,500.

The track's owner, John J. Brunetti, estimates that he loses $70,000 every day Hialeah remains open. Earlier this month, he announced his intention to close the track after Wednesday's last race if the Florida Pari-Mutuel Commission would allow him to do that and retain his racing permit. Instead, he agreed Wednesday to keep the park open with a limited schedule of racing Saturdays, Sundays and Mondays.

Hialeah's most current malaise is blamed on the loss of its traditional racing dates between January and March. Hialeah, Calder and Gulfstream Park battled for those dates, highly prized because they fall at the height of the tourist season.

Last year, weary of the annual battle, the Florida legislature "deregulated" the industry and left it to the three track owners to haggle over an agreement on racing schedules. The trio agreed on nothing. Hialeah planned a 156-day schedule, from Nov. 18 until mid-May, in which it competes with Calder now and with Gulfstream in January.

In a way, Hialeah's decline began long ago. The old Palm Beach Biltmore Express, the private train that carried the wealthy to Hialeah's front gate, is only a memory. It has been replaced, less glamorously, with Miami's rapid transit.

Tour buses, which brought northerners to view Hialeah's lush gardens and graceful Mediterranean architecture, stopped coming to Hialeah after the 1980 race riot in Liberty City across town. Even Hialeah's aviary, which housed rare and exotic birds, fell victim to modern life and was closed after thieves stole some of the birds for use in religious ceremonies.

This year came the final blow. The top-rated trainers and horses left. Races were won here by Man o' War in the 1920s and Seattle Slew in the 1970s, but now the winners are second-stringers with names such as Ralph's Bid and Overnight Hit.

"I've had a slow year," Mickey Solomone, Hialeah's top jockey, says with a shrug. "I'm riding decent horses here. But they have better horses at Gulfstream."

What is left of grand old Hialeah, beyond the black-and-white framed photographs on the wall, are the flamingos. After Sunday's eighth race, they circled the track in a magnificent and graceful display. The next day, a Miami Herald article wondered if it had been for the last time. Wednesday, after the commission meeting, a local radio announcer asked: "Will the pink flamingos join the ranks of South Florida's homeless?"

"In the old days, you had to wait until somebody died to even get a box at the end of the grandstand," Root said. "The question isn't will Hialeah close. The question is when. It's very sad."

Schembechler Will Bow Out at Bowl

United Press International

ANN ARBOR, Michigan — Bo Schembechler, the fifth winningest coach in college football history, has announced that he will resign as University of Michigan coach after the Rose Bowl and likely will also step down as athletic director.

Gary Moeller, 48, his assistant head coach and offensive coordinator the last three seasons, will replace him on Jan. 2 after the Wolverines meet Southern California in the Rose Bowl. Moeller has worked under Schembechler for 20 years.

The 60-year-old coach had a heart attack before the 1970 Rose Bowl, underwent bypass surgery several years later, then underwent a second bypass operation after suffering a heart attack in 1987.

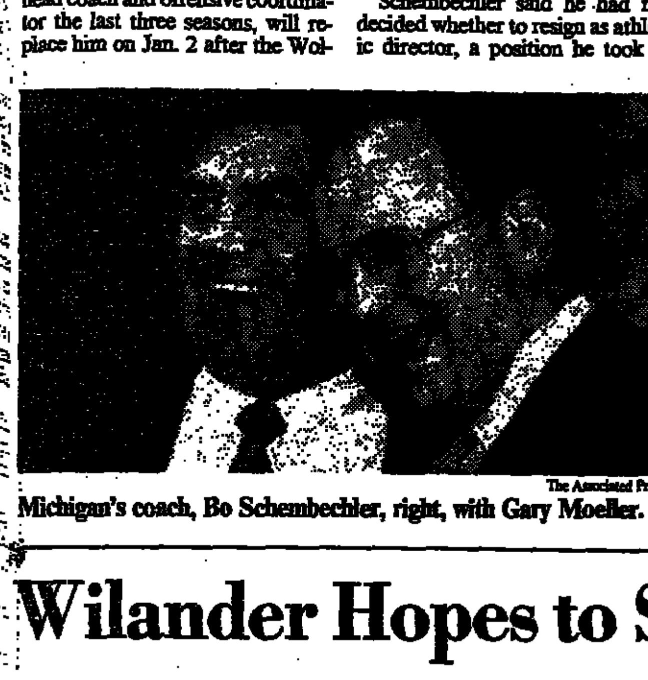
Schembechler said he had not decided whether to resign as athletic director, a position he took in 1988. But he said, "I'm not sure it's in the best interests of the Michigan program, myself and Gary Moeller to be hanging around."

Schembechler has compiled the best record of any active college coach, with 234 victories, 64 defeats and 8 ties. Since leaving Miami of Ohio to become the Wolverines' head coach in 1969, he has gone 204-48-5. He never has had a losing season.

The only coaches with more career victories were Bear Bryant, Amos Alonzo Stagg, Pop Warner and Woody Hayes.

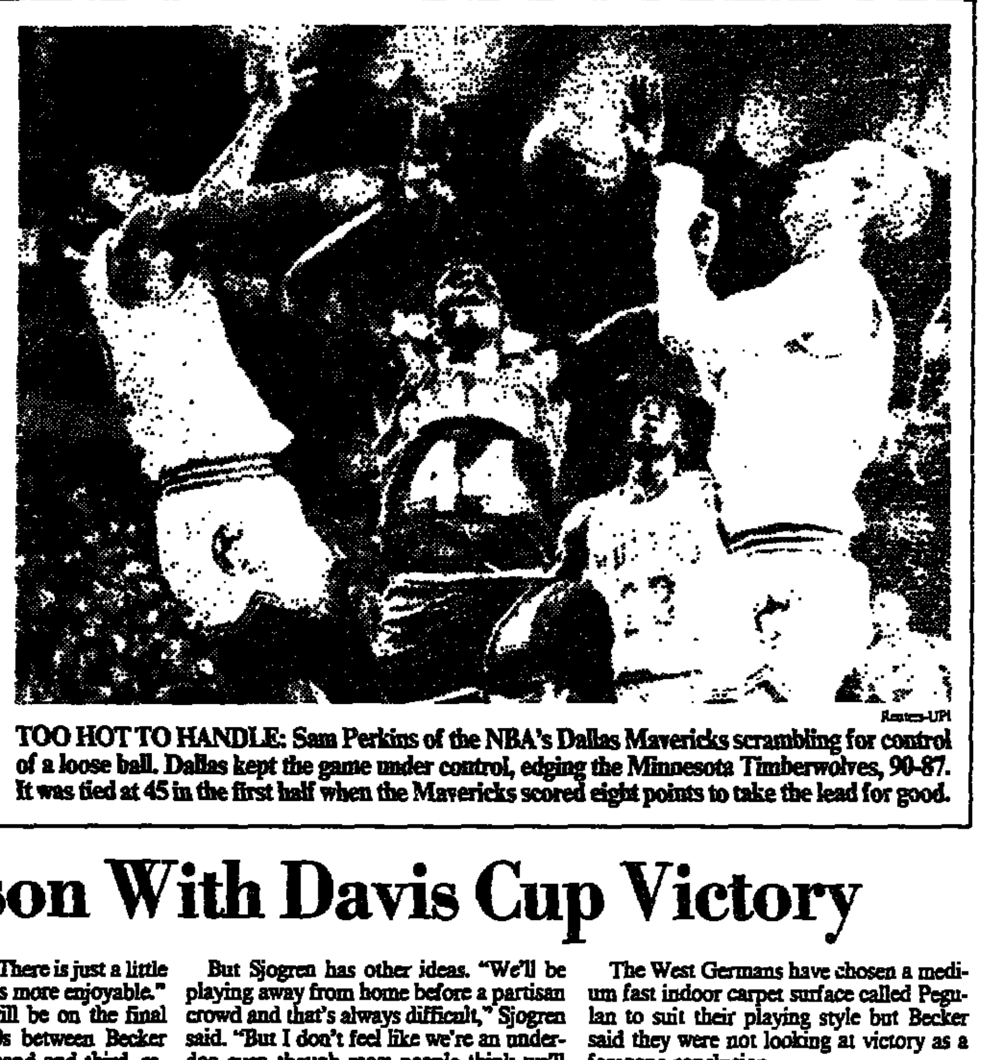
In the past two seasons, Schembechler has guided the Wolverines to back-to-back Big Ten titles and Rose Bowl appearances. With this year's team boasting a 10-1 record, he is again aiming for a national championship — one of the few prizes to have eluded him.

Moeller joined Schembechler's staff at Miami of Ohio in 1967 and moved with him to Michigan. He coached three seasons at Illinois from 1977-79 and compiled a 6-24-3 record before rejoining the Michigan staff in 1980.



The Associated Press

Michigan's coach, Bo Schembechler, right, with Gary Moeller.



Reuters-UPI

TOO HOT TO HANDLE: Sam Perkins of the NBA's Dallas Mavericks scrambling for control of a loose ball. Dallas kept the game under control, edging the Minnesota Timberwolves, 90-87. It was tied at 45 in the first half when the Mavericks scored eight points to take the lead for good.

East German Will Sign First Legal Soccer Pact For West German Club

The Associated Press

HAMBURG — The West German soccer club Bayer Leverkusen will sign East German star Andreas Thom for three years, Leverkusen officials said Thursday.

The West German newspaper Bild said Leverkusen will pay 5 million marks ($2.9 million) for Thom.

Rainer Calmund, the Leverkusen business manager, denied the sum published by Bild, but confirmed the club will pay a "seven-digit figure" in West German marks for the 24-year-old striker.

Thom will become the first East German soccer player to transfer legally to a West German club.

Calmund said it was still unclear whether Thom would join Leverkusen next February, when the West German league resumes after a winter break, or would transfer in June 1990.

The Dynamo East Berlin striker will be paid an annual salary of 500,000 marks ($290,000), Bild said.

West and East German newspaper reports also said another Dynamo East Berlin star, Rainer Ernst, was expected to join a West German club. Ernst already trained with Borussia Dortmund this week and is expected to move to the West in January.

■ Witt Defends Athletes

Michael Janofsky of The New York Times reported from Berlin:

Back home on a break from shooting a film in Spain, wearing fashionably faded jeans and a matching jacket, Katarina Witt warned that too many changes could damage East Germany's elite sports system and drive top athletes out of the country.

In her first public remarks since the dramatic political upheaval began here two months ago, the two-time Olympic figure-skating champion, who is her country's best-known athlete in the West, also criticized those who have expressed resentment toward East German athletes who have benefited financially from the government for their achievements.

"The system was really good in sports," Witt said Wednesday in an interview in a midtown hotel. "It was best system in our country. It was like the business system in your kind of country. Now, they're going to finish the system, and I think this is not so good to do."

"I think our sports are going to go a little down the ladder now," she said.

Witt was not the first sports hero to raise questions in the last few days about the future of the elite program. But her remarks were the most stinging and timely. They came one day after all of the senior officials of the national sports authority resigned under mounting public pressure following disclosures that top athletes had been paid for their performances and that sports administrators had enjoyed privileges unavailable to ordinary citizens.

The disclosures, made by a newly aggressive press, have turned public opinion against elite athletes and the system in which they have developed at an astonishing rate.

Witt, who retired from competitive skating after winning her second consecutive Olympic title last year in Calgary, Alberta, said that if changes caused East Germany to drop from among the leading countries in the Olympic Games, its elite athletes would leave the country in search of a more supportive atmosphere, presumably in a Western country.

"Now, everything is so confusing that if someone leaves the country, I will understand," she said.

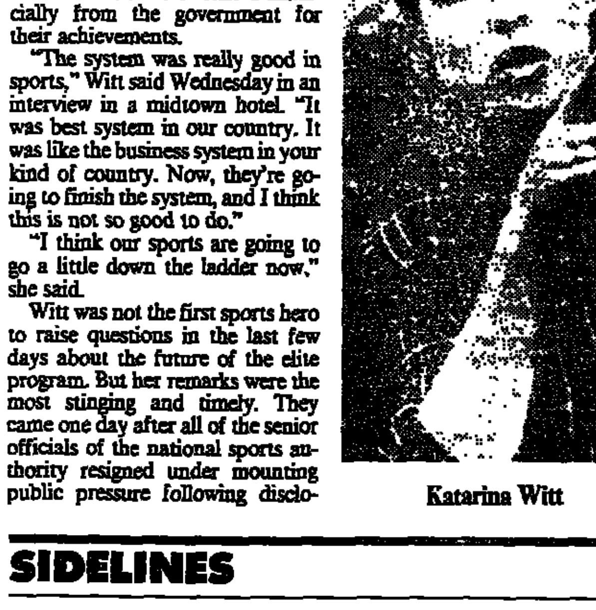
No East German athlete knows more than Witt the benefits of the outside world. As a champion with unmatched grace and style, she was allowed to travel extensively beyond Eastern Europe, often in the West.

Since her retirement, she has skated with ice shows in North America and Western Europe. Currently, she is filming a movie in Spain, "Carmen on Ice," with Brian Boitano, the American who won the men's title in Calgary, and Brian Orser, the Canadian who finished second.

"I am an artist now," she said.

In Berlin since last week on a break from her movie work, she was stunned to watch a public that once adored its best athletes turn on them so quickly.

But Witt gave no indication that she intended to leave East Germany.



Reuters

Katarina Witt

Wilander Hopes to Salvage Season With Davis Cup Victory

Compiled by Our Staff From Dispatches

STUTTGART — Mats Wilander got the draw he both wanted and dreaded Thursday when he was picked to open Sweden's Davis Cup bid against Carl-Uwe Steeb of West Germany in the final.

It was Steeb, coming back from two sets down, who unexpectedly beat Wilander, then ranked number one in the world, to put West Germany on the path to victory in last year's final in Gothenburg, Sweden.

Steeb was ranked 73rd by the Association of Tennis Professionals at the time, but the pair are more evenly matched this time with Wilander having dropped to 12th place and the West German, playing in his home town, at 15th.

Friday's second singles promises to be just as exciting, with Boris Becker and Stefan Edberg renewing their rivalry after Edberg's surprise upset of the West German in the Masters final 10 days ago in New York.

Saturday will be a test of Sweden's new doubles pairing as Anders Jarryd and Jan Gunnarsson face Becker and Eric Jelen. John-Anders "Jonte" Sjogren, the Swedish captain, had been expected to pick Jarryd and Gunnarsson for doubles after losses by Edberg and Jarryd. One of those losses occurred in last year's Davis Cup final — to Becker and Jelen.

Sunday Becker faces Wilander and Steeb clashes with Edberg on the fast carpet surface at Stuttgart's Schleyer Hall.

After Thursday's draw, Wilander said: "I think the draw usually doesn't matter that much and I don't think I am going to think about last year at all."

Wilander has had a disappointing year, losing all three of the Grand Slam titles he won in 1988, and has played little in recent weeks. But he said the team spirit in the Davis Cup had fired him up for this weekend.

"It is a little bit more fun to work together as a team," he said. "There is just a little bit less pressure and it is more enjoyable."

Many eyes Friday will be on the final showdown of the 1980s between Becker and Edberg, ranked second and third, respectively.

Becker wiped out Edberg to steal the Wimbledon title in July. Edberg took revenge with a stunning and unexpected victory over the West German in the Masters final after surprising top-ranked Ivan Lendl in the semifinal.

Now Becker and Edberg clash again as Sweden tries to win back the cup West Germany took, 4-1, a year ago to win the team title for the first time.

Becker said he had recovered from his defeat by the Swede in New York.

"I had a couple of days' rest afterwards and now I have been practicing again for a while and I feel pretty good," said Becker, who has beaten Edberg 13 times in 21 meetings.

But Sjogren has other ideas. "We'll be playing away from home before a partisan crowd and that's always difficult," Sjogren said. "But I don't feel like we're an underdog even though most people think we'll lose again. Stefan's victory over Becker was positive. Our team morale is much higher now."

Becker said playing at home was both good and bad for the West Germans, who in 1985 were defeated 3-2 by Sweden in the Cup final in Munich.

"The spectators expect quite a lot and that is why maybe it is a little bit tougher for us but when you win it is much better because it is your home," Becker said.

Sweden has dominated Davis Cup play this decade, having reached the final every year since 1983. The Swedes won their second Davis Cup title in 1984, beating the United States with John McEnroe and Jimmy Connors. In 1985, they defeated West Germany, and in 1987, they beat India.

The West Germans have chosen a medium fast indoor carpet surface called Pegulan to suit their playing style but Becker said they were not looking at victory as a foregone conclusion.

"Carl-Uwe will find it very difficult to repeat last year's feat," Becker admitted. "I think Mats will be very dangerous. He wouldn't play in the final if he didn't know he was in good form."

"But I don't understand why they decided to play on that surface," said Sjogren, whose men played on a portable Pegulan court all week long. "I don't think it will give them an advantage as a team. It may suite Becker well, but hardly Steeb."

Gunnarsson, who has played on Pegulan a lot in the Bundesliga, the German equivalent of team tennis, says it's one of the slowest indoor surfaces around.

"You can play from the baseline on that stuff," Gunnarsson said. "So it's no disadvantage for us." *(Reuters, AP)*

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

	W	L	Pct	GB
Atlantic Division				
New York	12	7	.632	—
Boston	12	9	.571	1
Philadelphia	11	9	.550	1½
Washington	9	11	.450	3½
New Jersey	6	13	.316	6
Miami	5	17	.227	8½
Central Division				
Indiana	12	5	.706	—
Atlanta	13	7	.650	½
Chicago	12	7	.632	1
Detroit	13	8	.619	1
Cleveland	9	11	.450	4½
Milwaukee	9	11	.450	4½
Orlando	8	12	.400	5½

WESTERN CONFERENCE

	W	L	Pct	GB
Midwest Division				
Utah	13	6	.684	—
San Antonio	12	6	.667	½
Denver	12	8	.619	1
Houston	10	10	.500	3½
Dallas	9	10	.474	4
Minnesota	5	15	.250	8½
Charlotte	3	16	.158	10
Pacific Division				
L.A. Lakers	16	5	.762	—
Portland	16	6	.727	½
Seattle	11	8	.579	4
Phoenix	7	10	.412	7
L.A. Clippers	7	12	.368	8
Sacramento	6	12	.333	8½
Golden State	6	14	.300	9½

WEDNESDAY'S RESULTS

Seattle 20 22 28 27— 97
Boston 26 25 32 24—107

Ellis 14-33 2-3 32, McDaniel 7-17 1-2 15; Bird 17-27 4-4 40, McHale 5-10 6-8 16. Rebounds: Seattle 58 (Cage, Ellis 9), Boston 59 (Bird, McHale 11). Assists: Seattle 18 (McMillan 7), Boston 32 (D.Johnson 12).

Atlanta 34 22 29 28—113
Philadelphia 33 27 20 32—112

Wilkins 15-26 7-9 38, Carr 5-10 7-8 17; Hawkins 9-18 7-8 27, Barkley 5-10 13-16 23, Dawkins 11-23 1-1 23. Rebounds: Atlanta 55 (Willis 12), Philadelphia 52 (Barkley 12). Assists: Atlanta 21 (Webb 9), Philadelphia 25 (Dawkins 9).

LA Lakers 22 24 29 27—102
Miami 20 18 18 19— 75

Worthy 10-17 1-1 21, Johnson 5-13 7-9 18; B.Thompson 8-15 1-2 17, Seikaly 7-11 1-2 15. Rebounds: Los Angeles 58 (Johnson 10), Miami 43 (Seikaly 11). Assists: Los Angeles 24 (Johnson 8), Miami 19 (Douglas 6).

Milwaukee 21 14 25 33—93
Cleveland 21 22 20 26—89

Roberts 9-15 9-10 27, Pressey 8-13 1-1 17; Nance 13-19 5-6 31, Price 3-11 5-6 13. Rebounds: Milwaukee 46 (Robertson 7), Cleveland 60 (Dudley 15). Assists: Milwaukee 23 (Robertson 10), Cleveland 20 (Price 6).

Dallas 28 25 28 9—90
Minnesota 24 21 26 16—87

Dantley 8-17 5-6 21, Blackman 9-17 2-2 20; Corbin 9-19 0-0 19, Campbell 6-13 6-6 19. Rebounds: Dallas 50 (Perkins 10), Minnesota 59 (Mitchell 11). Assists: Dallas 18 (Harper 5), Minnesota 24 (Lowe 6).

Phoenix 30 21 21 23— 95
Utah 22 20 28 32—102

E.Johnson 11-28 1-2 25, Hornacek 9-17 4-4 23; Malone 9-21 6-11 24, Stockton 9-19 3-6 22. Rebounds: Phoenix 56 (West 12), Utah 59 (Malone 12). Assists: Phoenix 22 (Hornacek 11), Utah 26 (Stockton 15).

Detroit 20 18 19 22—79
LA Clippers 24 13 24 22—83

Thomas 6-22 5-9 18, Dumars 6-16 3-3 16; Manning 6-15 3-8 15, Harper 4-10 ..-8 15, Grant 6-10 3-3 15, Norman 7-17 1-2 15. Rebounds: Detroit 58 (Rodman 14), Los Angeles 68 (Smith 10). Assists: Detroit 12 (Dumars 4), Los Angeles 21 (Grant 11).

Denver 37 18 34 25—114
Golden State 33 26 35 30—124

Davis 7-17 6-8 20, Lever 8-23 2-2 19; Mullin 14-25 7-7 33, Teagle 9-17 5-6 23. Rebounds: Denver [illegible] (Dunn 12), Golden State 67 (Mullin 18). Assists: Denver 26 (Lever 6), Golden State 33 (Hardaway 11).

NBA Leaders

Team Offense

	G	Pts.	Avg
Denver	19	2206	116.1
Seattle	18	2074	115.2
New York	19	2152	113.3
Phoenix	15	1695	113.0
Atlanta	18	2006	111.4
Orlando	19	2092	110.1
Portland	21	2303	109.7
Chicago	18	1946	108.1
L.A. Lakers	19	2050	107.9
Indianapolis	16	1726	107.9
Boston	20	2146	107.3
Milwaukee	18	1931	107.3
Golden St.	18	1929	107.2
Philadelphia	18	1924	106.9
Houston	19	1998	105.2
San Antonio	17	1784	104.9
Washington	20	2076	103.8
Detroit	19	1960	103.2
L.A. Clippers	17	1746	102.7
Utah	17	1737	102.2
Sacramento	17	1732	101.9
Dallas	17	1693	99.6
Cleveland	18	1755	97.5
Miami	21	2023	96.3
Charlotte	18	1730	96.1
New Jersey	18	1722	95.7
Minnesota	18	1696	94.2

Team Defense

	G	Pts.	Avg
Utah	17	1650	97.1
Detroit	19	1871	98.5
Minnesota	18	1782	99.0
Dallas	17	1706	100.4
San Antonio	17	1733	101.9
L.A. Lakers	19	1937	101.9
Cleveland	18	1848	102.7
Houston	19	1957	103.0
Washington	20	2068	103.4
Philadelphia	18	1862	103.4
Boston	20	2082	104.1
Portland	21	2194	104.5
New Jersey	18	1884	104.7
Indianapolis	16	1681	105.1
Chicago	18	1896	105.3
L.A. Clippers	17	1792	105.4
Charlotte	18	1914	106.3
Phoenix	15	1602	106.8
Seattle	18	1923	106.8
Miami	21	2250	107.1
Atlanta	18	1935	107.5
New York	19	2047	107.7
Sacramento	17	1853	109.0
Milwaukee	18	1972	109.6
Denver	19	2126	111.9
Golden St.	18	2071	115.1
Orlando	19	2196	115.6

INDIVIDUAL

Scoring

	G	FG	FT	Pts	Avg
Jordan, Chi.	18	287	147	576	32.0
Ewing, N.Y.	19	215	127	557	29.3
Malone, Utah	17	175	122	473	27.8
Mullin, G.S.	18	181	112	498	27.7
Chambers, Phoe.	15	136	105	384	25.6
Wilkins, Atl.	18	172	98	457	25.4
Ellis, Sea.	18	168	84	453	25.2
Drexler, Port.	16	157	65	382	23.9
Campbell, Minn.	18	167	88	426	23.7
Malone, Wash.	18	177	72	426	23.7

Field Goal Percentage

	FG	FGA	Pct
Parish, Bos.	144	222	.649
West, Phoe.	55	88	.625
Barkley, Phil.	119	197	.604
Smits, Ind.	94	162	.580
Paxson, Chi.	95	165	.576

Rebounding

	G	Off	Def	Tot	Avg
Robinson, S.A.	17	77	141	218	12.8
Oakley, N.Y.	19	83	149	232	12.2
Olajuwon, Hou.	19	54	172	226	11.9
Malone, Utah	17	48	138	186	10.9
Seikaly, Mia.	20	76	135	211	10.6

Assists

	G	No.	Avg.
Stockton, Utah	15	208	13.9
Johnson, LAL	19	207	10.9
K.Johnson, Phoe.	10	107	10.7
Grant, LAC	17	178	10.5
Bogues, Char.	18	179	9.9

Selected College Scores

Georgetown 92, St. Leo 51
Seton Hall 79, Rutgers 74
St. Bonaventure 72, Niagara 62
American U. 72, Wichita St. 71
Ball St. 69, Valparaiso 62
Minnesota 89, Detroit 61
Arkansas St. 71, SW Missouri St. 67
Houston 69, Stephen F.Austin 56
Long Beach St. 89, Texas 87
Missouri 89, Arkansas 88
Colorado 98, UC Irvine 83
Washington 74, E. Washington 58

HOCKEY

NHL Standings

WALES CONFERENCE

	W	L	T	Pts	GF	GA
Patrick Division						
NY Rangers	15	12	5	35	107	101
Philadelphia	15	12	4	34	115	101
New Jersey	13	15	3	29	122	124
Pittsburgh	13	15	2	28	120	126
Washington	12	14	4	28	103	104
NY Islanders	9	20	4	22	103	127
Adams Division						
Buffalo	19	9	4	42	112	97
Montreal	18	13	4	40	116	100
Boston	17	11	3	37	109	90
Hartford	15	16	1	31	106	107
Quebec	6	22	4	16	100	151

CAMPBELL CONFERENCE

	W	L	T	Pts	GF	GA
Norris Division						
Chicago	18	12	2	38	120	106
Minnesota	16	15	1	33	110	112
St. Louis	14	12	5	33	107	97
Toronto	16	17	0	32	135	145
Detroit	9	17	5	23	91	119
Smythe Division						
Edmonton	16	10	6	38	130	110
Los Angeles	16	12	3	35	139	124
Calgary	12	11	9	33	132	115
Winnipeg	14	13	4	32	100	108
Vancouver	11	16	5	27	109	123

WEDNESDAY'S RESULTS

Boston 2 1 1—4
Buffalo 1 1 0—2

Cimetta (7), Carter (5), Bourque (5), Christian (4); Valve (12), Hogue (1). Shots on goal: Boston (on Puppa) 9-8-6—23; Buffalo (on Moog) 8-12-15—35.

St. Louis 2 0 1—3
N.Y. Rangers 1 0 0—1

Hull (24), Oates (11), Lowry (4); Turcotte (16). Shots on goal: St. Louis (on Froese) 14-8-2—24; New York (on Riendeau) 11-5-4—20.

Toronto 2 2 0—4
Detroit 2 0 0—2

McIntyre (3), Olczyk (13), Fergus (14), Leeman (18); Carson (7), Chiasson (5). Shots on goal: Toronto (on Hanlon) 9-13-4—26; Detroit (on LaForest) 11-3-9—23.

Los Angeles 1 1 3—5
Hartford 0 2 0—2

Gretzky (14), Duchesne (9), Nicholls 2 (24), Robitaille (24); Francis (14), Dineen (10). Shots on goal: Los Angeles (on Sidorkiewicz) 7-14-4—25. Hartford 9-9-9—27.

Chicago 1 1 1—3
Montreal 0 1 0—1

Thomas (13), Savard (11), Creighton (12); Smith (9). Shots on goal: Chicago (on Hayward) 10-9-6—25; Montreal (on Waite) 7-11-7—25.

N.Y. Islanders 1 1 0—2
New Jersey 1 2 2—5

King (2), Sutter (11); Brady (1), Albelin (3), Johnson (14), MacLean (18), Shanahan (14). Shots on goal: New York (on Burke) 8-5-6—19; New Jersey (on Fitzpatrick) 9-16-8—33.

Vancouver 1 1 1 0—3
Winnipeg 2 0 1 0—3

Lemardon (1), Butcher (4), Reinhart (6); Elynuik (16), Steen (7), Ellett (9). Shots on goal: Vancouver (on Essensa) 10-7-10-1—28; Winnipeg (on McLean) 14-7-15-0—36.

Quebec 0 0 1—1
Edmonton 1 2 2—5

DeBlois (6); Klima (9), Lamb (7), MacTavish (12), Gelinas (6), Muni (4). Shots on goal: Quebec (on Ranford) 10-12-7—29; Edmonton (on Mylnikov) 13-10-15—38.

FOOTBALL

NFL Leaders

AMERICAN CONFERENCE

OFFENSE

	Yards	Rush	Pass
Buffalo	5111	1985	3126
Cincinnati	5088	2171	2917
Miami	4923	1227	3696
Houston	4750	1787	2963
Kansas City	4709	2020	2689
New England	4659	1555	3104
Jets	4520	1450	3070
Denver	4412	1791	2621
Raiders	4404	1858	2546
Cleveland	4398	1440	2958
Indianapolis	4278	1621	2657
San Diego	4147	1574	2573
Seattle	4045	1285	2760
Pittsburgh	3333	1452	1881

DEFENSE

	Yards	Rush	Pass
Kansas City	3536	1487	2049
Denver	3919	1476	2443
Cleveland	4032	1446	2586
Houston	4303	1372	2931
San Diego	4344	1626	2718
Raiders	4373	1742	2631
Seattle	4486	1883	2603
Buffalo	4563	1634	2929
Cincinnati	4710	2004	2706
Pittsburgh	4825	1803	3022
New England	4882	1525	3357
Indianapolis	4980	1908	3072
Miami	5049	1915	3134
Jets	5131	1753	3378

INDIVIDUAL

Quarterbacks

	Att	Com	Yds	TD	Int
Moon, Hou.	393	239	3121	21	11
Esiason, Cin.	374	207	2832	21	8
Kelly, Buff.	328	189	2657	23	14
Kosar, Clev.	439	268	3051	14	14
DeBerg, K.C.	265	165	2157	9	13

Rushers

	Att	Yds	Avg	LG	TD
Okoye, K.C.	326	1322	4.1	59	11
Thomas, Buff.	275	1164	4.2	38	5
Dickerson, Ind.	277	1150	4.2	21	5
Brooks, Cin.	201	1117	5.6	65	6
Humphrey, Den.	256	972	3.8	40	7

Receivers

	NO	Yds	Avg	LG	TD
Reed, Buff.	72	1117	15.5	78	9
Blades, Sea.	72	1011	14.0	60	5
A.Miller, S.D.	65	1106	17.0	69	9
Johnson, Den.	62	1005	16.2	69	7
Slaughter, Clev.	61	1153	18.9	97	5

Punters

	NO	Yds	LG	Avg
Gr.Montgomery, Hou.	48	2081	63	43.4
Stark, Ind.	70	2999	64	42.8
Roby, Mia.	53	2226	58	42.0
Newsome, Pitt.	73	3044	57	41.7
Goodburn, K.C.	56	2308	54	41.2

Punt Returners

	NO	Yds	Avg	LG	TD
Verdin, Ind.	22	285	13.0	49	1
McNeil, Clev.	44	472	10.7	49	0
Townsell, Jets	31	287	9.3	30	0
Tucker, Buff.-N.E.	19	165	8.7	25	0
Martin, N.E.	19	164	8.6	28	0

Kickoff Returners

	NO	Yds	Avg	LG	TD
Logan, Mia.	20	531	26.6	97	1
Woodson, Pitt.	32	847	26.5	84	1
Martin, N.E.	24	584	24.3	38	0
Jefferson, Sea.	22	511	23.2	97	1
Metcalf, Clev.	28	633	22.6	49	0

SCORING

Touchdowns

	TD	Rush	Rec	Ret	Pts
Okoye, K.C.	11	11	0	0	66
Thomas, Buff.	11	5	6	0	66
A.Miller, S.D.	10	0	9	1	60
Butts, S.D.	9	9	0	0	54
Metcalf, Clev.	9	6	3	0	54

Kicking

	PAT	FG	LG	Pts
Zendejas, Hou.	37-37	23-33	52	106
Norwood, Buff.	41-42	21-28	48	104
Treadwell, Den.	34-34	23-28	46	103
Jaeger, Raiders	30-30	21-32	50	93
Lowery, K.C.	30-31	20-29	50	90

NATIONAL CONFERENCE

OFFENSE

	Yards	Rush	Pass
San Francisco	5671	1685	3986
Washington	5290	1636	3654
Rams	5205	1525	3680
Green Bay	5074	1472	3602
Chicago	4731	2007	2724
New Orleans	4648	1733	2915
Minnesota	4546	1825	2721
Philadelphia	4480	1814	2666
Giants	4410	1633	2777
Tampa Bay	4296	1361	2935
Phoenix	4275	1271	3004
Detroit	4234	1704	2530
Dallas	3957	1255	2702
Atlanta	3882	1038	2844

DEFENSE

	Yards	Rush	Pass
Minnesota	3435	1499	1936
San Francisco	4028	1215	2813
Giants	4244	1416	2828
Philadelphia	4338	1451	2887
Washington	4340	1291	3049
New Orleans	4548	1088	3460
Tampa Bay	4762	1706	3056
Green Bay	4763	1737	3026
Rams	4882	1378	3504
Detroit	4899	1470	3429
Chicago	4959	1550	3409
Phoenix	4970	1831	3139
Dallas	5033	1808	3225
Atlanta	5142	2161	2981

INDIVIDUAL

Quarterbacks

	Att	Com	Yds	TD	Int
Montana, S.F.	365	261	3415	25	7
Everett, Rams	463	275	3856	26	15
Rypien, Wash.	418	241	3194	20	11
Hebert, N.O.	353	222	2686	15	15
Majkowski, G.B.	531	311	3842	24	19

Rushers

	Att	Yds	Avg	LG	TD
B.Sanders, Det.	239	1208	5.1	31	10
Hilliard, N.O.	300	1156	3.9	40	12
Anderson, Chi.	249	1115	4.5	59	11
Craig, S.F.	236	918	3.9	27	5
Bell, Rams	231	875	3.8	46	12

Receivers

	NO	Yds	Avg	LG	TD
Sharpe, G.B.	78	1257	16.1	79	12
Carrier, T.B.	76	1190	15.7	78	6
Rice, S.F.	75	1336	17.8	68	15
Monk, Wash.	75	986	13.1	55	6
Sanders, Wash.	70	934	13.3	51	4

Punters

	NO	Yds	LG	Avg
Camarillo, Phoe.	62	2727	58	44.0
Landeta, Giants	60	2623	71	43.7
Moisiejenko, Wash.	57	2480	74	43.5
Arnold, Det.	72	3058	64	42.5
Helton, S.F.	45	1867	56	41.5

Punt Returners

	NO	Yds	Avg	LG	TD
Stanley, Det.	28	395	14.1	74	0
Sikahema, Phoe.	36	434	12.1	53	0
Meggett, Giants	38	446	11.7	49	0
Taylor, S.F.	33	387	11.7	37	0
Sanders, Atl.	25	259	10.4	68	1

Kickoff Returners

	NO	Yds	Avg	LG	TD
Gray, Det.	21	565	26.9	57	0
Dixon, Dall.	43	1107	25.7	97	1
Howard, Wash.	19	486	25.6	99	1
Gentry, Chi.	25	606	24.2	63	0
A.Johnson, Wash.	19	417	21.9	38	0

Scoring

Touchdowns

	TD	Rush	Rec	Ret	Pts
Hilliard, N.O.	16	12	4	0	96
Rice, S.F.	15	0	15	0	90
Anderson, Chi.	13	11	2	0	78
Sharpe, G.B.	13	0	12	1	78
Bell, Rams	12	12	0	0	72

Kicking

	PAT	FG	LG	Pts
Cofer, S.F.	44-46	25-31	47	119
Lohmiller, Wash.	34-34	26-33	48	112
Lansford, Rams	43-43	21-26	48	106
Karlis, Minn.	23-24	25-31	51	98
Igwebuike, T.B.	30-32	20-26	53	90

TRANSACTIONS

BASEBALL
American League

BOSTON—Re-signed Mike Smithson, pitcher, to one-year contract. Re-signed Dana Kiecker, pitcher, and bought his contract from Pawtucket, International League. Signed Jeff Stone, outfielder, to contract with Pawtucket.

CALIFORNIA—Signed Lance Parrish, catcher, to three-year contract.

OAKLAND—Agreed to terms with Jamie Quirk, catcher, and Scott Sanderson, pitcher, on one-year contracts.

TEXAS—Signed Tom Grieve, vice president and general manager, to three-year contract extension.

National League

CHICAGO—Said they will not offer a contract to Pat Perry, pitcher.

MONTREAL—Signed Dave Schmidt, pitcher, to one-year contract.

NEW YORK—Signed Orlando Mercado, catcher, to free-agent contract with Tidewater, International League.

PITTSBURGH—Signed Hugh Kemp, pitcher; Steve Kiefer, infielder, and Danny Sheaffer and Joe Szekely, catchers, and assigned them to Buffalo. American Association.

ST. LOUIS—Agreed to terms with Frank DiPino, pitcher, on two-year contract.

BASKETBALL
National Basketball Association

NBA—Fined Stuart Gray, Charlotte forward, $5,000 and suspended him for one game for fighting in a game on Dec. 12. Fined LA Laker guards Byron Scott $2,000 and Michael Cooper $1,000 for adding to the altercation, and James Worthy, LA forward, $500 for pushing Gray.

CHARLOTTE—Signed Robert Reid, guard. Waived Andre Turner, guard.

HOUSTON—Activated Chuck Nevitt, center, from injured list. Put Tim McCormick, center, on injured list.

L.A. LAKERS—Activated Orlando Woolridge, from injured list. Waived Mike Higgins, forward.

MINNESOTA—Activated Steve Johnson, center. Put Scott Roth, center, on injured list.

PHOENIX—Acquired Kurt Rambis, forward, and two second-round draft picks from Charlotte for Armon Gilliam, forward.

FOOTBALL
National Football League

N.Y. GIANTS—Karl Nelson, offensive tackle, resigned.

SAN FRANCISCO—Signed Tom Holmoe, safety. Waived Mike Barber, wide receiver.

HOCKEY
National Hockey League

BOSTON—Traded Bobby Joyce, left wing, to Washington for Dave Christian, center-right wing.

HARTFORD—Traded Paul MacDermid, left wing, to Winnipeg for Randy Cunneyworth, right wing.

PITTSBURGH—Sent Jamie Leach, right wing, and Frank Pietrangelo, goaltender, to Muskegon, International Hockey League. Activated Tom Barrasso, goaltender, from injured list.

QUEBEC—Traded Jeff Brown, defenseman, to St. Louis for Greg Millen, goaltender, and Tony Hrkac, center.

ST. LOUIS—Recalled Guy Hebert, goaltender, from Peori, IHL.

COLLEGE

AUSTIN PEAY—Named John Palermo football coach.

CRICKET

Pakistan vs. India
(In Sialkot, Pakistan, Test 4, Day 5)
1st Innings: India 324 (all out); Pakistan 250 (all out).
2nd Innings: India 234-7. Match declared a draw.

SOCCER

FRIENDLY INTERNATIONALS
Spain 2, Switzerland 1
England 2, Yugoslavia 1

DUTCH FIRST DIVISION
FC Groningen 5, FC Twente 0

Dutch Cup, Second Round
Haarlem 0, Vitesse 3
Spakenburg 0, Feyenoord 4
Achilles 0, Volendam 2
Eindhoven (Division 2) 0, Ajax 4
Venray 1, Roda JC 4

SIDELINES

Austrian Lengthens Skier Injury List

VAL GARDENA, Italy (AP) — Peter Wirnsberger of Austria injured his right knee Thursday in a spill on the ill-fated "camel's bumps" during the final day of practice for the first World Cup downhill race of the season.

The 19-year-old skier suffered a possible lesion of the kneecap when he fell in the most difficult part of the course here, which claimed three other victims on the opening day of practice Wednesday.

Following spills which knocked out Swiss veteran Peter Müller, his teammate Philipp Schuler and Austrian Gerhard Pfaffenbichler, organizers on Thursday shaved off the first of the three camel's bumps and a bump on the final straight to reduce the length and risks of the jumps.

Trade Gives NHL's Bruins a Boost

BUFFALO, New York (UPI) — Dave Christian was traded to the Boston Bruins just in time to ruin the Buffalo Sabres' 12-game home unbeaten streak.

Christian capped what he called "the longest day of my career" by scoring the game-clinching goal Wednesday night to lead the Bruins to a 4-2 victory over the Sabres. Christian had been traded by the Washington Capitals earlier in the day in exchange for forward Bob Joyce.

The loss was the Sabres' first at home this year, and ended a club record winning streak.

For the Record

Roger Kingdom, the American hurdler, and Ana Quirot, the Cuban middle-distance runner, have been voted the best male and female athletes of 1989 in a worldwide survey conducted by the International Amateur Athletic Federation. *(Reuters)*

Michel Platini, manager of the French national soccer team, and his family have been put under armed guard after police uncovered a plot to kidnap his two children. Detectives believe the plot is linked to the gunmen who kidnapped Baron Edouard-Jean Empain, a wealthy industrialist, in 1978. *(AFP)*

Karl Nelson, 29, the New York Giants' offensive tackle who was sidelined three seasons ago with Hodgkins' disease but made a dramatic comeback last year, announced Wednesday that he would retire this year as an offensive line coach because of the disease's effects. *(AP)*

Quotable

• George Perles, the Michigan State football coach, on the announced retirement of Michigan's coach: "When you think of college football, you think of Bo Schembechler. College football and Bo are one in the same. History will remember Bo in the same breath as Bear Bryant, Woody Hayes, Amos Alonzo Stagg and Eddie Robinson. He is a living legend and that's very, very rare." *(UPI)*

OBSERVER

Culpa Nostra

By Russell Baker

NEW YORK — I am profoundly unshocked to learn that the night thoughts H.L. Mencken confided to his diary were sometimes tainted with racism and anti-Semitism.

To have been utterly free of such stuff in Mencken's time and place would have been astonishing.

I speak with authority here, for I was growing up just a block away from Mencken while he was keeping his diary.

In that setting, southwest Baltimore in the 1930s and 1940s, we were all racists and anti-Semites, and much more that now seems just as unsavory.

Oh, there may have been a saint huddled somewhere in one of Union Square's big, decaying row houses, a person as broad-minded as a 1989 editorial writer, but if so he kept mighty quiet.

The neighborhood language bristled with words now considered so barbaric that using one would disqualify the user for public office or television millions.

Mencken's diary avoids most of these dreary words, but it is startling indeed to find him writing "kikes," a word that even the street-corner crowd considered too vile to be spoken without the strongest justification.

□

No need here to run through the full book of southwest Baltimore's synonyms for "black people." But "black" was considered a peculiarly vicious word for a civilized white to use then. The proper word was "colored."

Blacks and Jews were not the only people freely subjected to verbal abuse in the neighborhood. Poles were mocked with the word "bohunks," which contains the root of "honky," the word that became the blacks' popular abusive term for whites in the 1960s.

The many Lithuanians in the neighborhood were called, for some unfathomable reason, "flatheads." They, like the Poles and many neighborhood Germans, were Catholic. Protestants, as seen from my inside observer's post, seemed in some ways more anti-Catholic than anti-Semitic.

For instance, Jews were admired and even secretly envied because they were suspected of being unnaturally smart.

Among Protestants it was highly desirable to have a Jewish doctor (smart, highly competent), whereas Catholic doctors were to be avoided. It was suspected that their medical treatments might be corrupted by slavish devotion to antiquated papal doctrines.

There was much amusement among Protestants about the Catholics eating fish every Friday, but the term of abuse around Union Square — "fish eaters" — seemed toothless enough. It wasn't until I met a youth from suburban Catonsville, three miles to the west and much snootier than our inner-city neighborhood, that I heard the term "mackerel snappers."

□

Italians got off lightly in the neighborhood, because there weren't any. "Wop," the most popular slur among non-Italians, was known in southwest Baltimore, however, as "dago." This last was said to be far more insulting to an Italian than "wop." In Baltimore, Italians did not bedevil the neighborhood mind, and so there was no firm misconception about them as there was about Poles (dumb), Jews (smart) and Catholics (sinister).

The same was true of the Irish, who seemed not to have found Baltimore as hospitable as cities farther north.

Protestants who came of Appalachian stock were called "hillbillies," and the term connoted ignorance, poverty, vile habits and, in general, low-lifers perfectly at home in the pigpen.

These, of course, were my people, and they were considered singularly loathsome when they flocked to Baltimore for war jobs in the 1940s.

Mencken's diary laments the decay of the neighborhood, noting that a house just two doors from his has been sold to Jews and filled with "ratty looking" tenants. Two of those tenants were an aunt I loved and her husband, and I went there often.

It pains me a little to realize that to Mencken we were "ratty looking" people, but then, in those times we hadn't yet learned to mask our thoughts with pseudo-civilized cunning.

We all spoke meanly of each other back there, and it wasn't quite as monstrous as it now seems, believe it or not. You had to be there.

New York Times Service

Knights of Malta Are Still Crusaders

By Marlise Simons
New York Times Service

VALLETTA, Malta — The American and Soviet presidents were thinking of the future as they swept through in imperial style, but it was the magnet of the past that brought the Knights back to Malta recently to wander among the bastions, ramparts and palaces built by their soldier-monk predecessors.

It was their first official gathering on Malta since Napoleon evicted them from the island in 1798. Their fame, which once extended from Constantinople to Edinburgh, has lived on only in books about the medieval crusades and the power plays of the Renaissance.

"It was moving in many ways," said Roger de Giorgio, who was among the 500 Knights of Justice, Knights of Obedience and Knights of Magistral Grace, from 22 nations, all in their black robes emblazened with a white, eight-pointed cross.

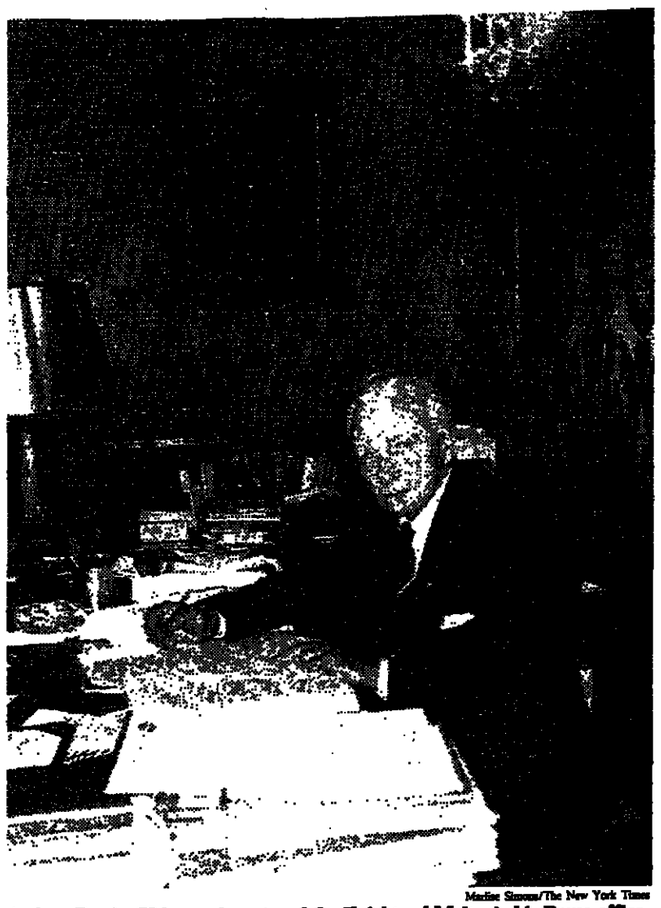
The October gathering, led by the organization's grand master, was one of several events that some say signal a new burst of life in the thousand-year history of this Roman Catholic order of laymen and monks. Talks are under way to rent a prominent fortress in the port from which the Knights' galleons once set out to fight Islam. It would be used as offices and for preparing novices.

The order now has diplomatic relations with 50 nations, an increase of five in the last year alone. The Knights still claim their sovereignty of old, and the Malta palace in Rome, their headquarters, like the Vatican, has extraterritorial rights and its own courts of law, passports and stamps.

Such trappings and a fondness for escutcheons and titles in the Sovereign Military Hospitaler Order of Saint John, of Jerusalem, Rhodes and Malta, have raised some Vatican and temporal eyebrows. But ask the Knights what they are really doing at this end of the 20th century and they quickly note that their original purpose, *the care of the weak and the sick, is intact* and growing.

Today, the order's national associations around the world, its administrators say, are providing more funds for hospitals, ambulance services, medicines and care than ever before. They say they have no exact figures but are impressed that more young volunteers than ever are joining, willing to visit the handicapped, the elderly and the dying.

"Even young girls want to join," said Anthony de Piro, a Knight who heads a first aid and civil defense group in Malta. "But we keep the girls apart. I don't believe in mixing men and women like Yugoslav partisans. Women can do more sophisticated work."



Marlise Simons/The New York Times

Andrew Bertie, 78th grand master of the Knights of Malta, in his Rome office.

The order has close to 10,000 full Knights and Dames and estimates volunteers, supporters or contributors at more than half a million. France alone reports 400,000 "friends of the order," West Germany 50,000. The United States has some 1,500 Knights and several thousand auxiliaries.

Insiders say a more action-oriented air is setting in, thanks to the new grand master, Fra Andrew Bertie, a 60-year-old Scot and former language teacher. The 78th grand master, he is the first Briton to hold the post since 1277.

Bertie did not get his job easily. Amid secrecy sometimes compared to the choosing of a pope — a grand master has the standing of a Vatican cardinal — the 36 Knights of the electoral council reportedly jostled at length over Italian Knights and the grand prior of Bohemia.

But Bertie was backed by American Knights and others who have hinted that the order has become overly concerned with ceremony under 50 years of Italian rule. American members include Lee Iacocca and Peter Grace.

The grand master works at the Order's Renaissance palace in Rome and is reached by way of a footman and a master of ceremonies, who opens a chamber lined with green damask.

"We have increased our hospital work," Bertie said, delivering his words with the precision of the British aristocrat he is. "We are concentrating now on leprosy, old people, refugees."

In Ireland, the order's ambulances pass on both sides of the conflict. "In Hungary we opened the first camp for East German refugees."

Why does the order need diplomatic relations? "Not for political reasons," he said, "but because they are often useful, because governments become extremely helpful." Chad, Morocco and Thailand had most recently joined the diplomatic roster, he added. "Relations help to get goods and medicines to the people."

Bertie, who is known as a pious and austere man, was also asked if the order could do with less aristocratic pretension and pomp.

"We are a peculiar animal," he said with a nod, recognizing the point. "We are a religious order and a sovereign knighthood. For our sovereign aspects the diplomatic and protocol side is essential. For our help to the poor and the sick, our religious side is the most important. Some of us are monks. The grand master has to be."

Over tea in another wing of the palace, Cyril Toumanoff said the Knights' most daunting enemies these days were "the imitators." Toumanoff is a Russian nobleman and the official Historian of the Grand Magistry. He spoke of adversaries "ever since the 11th century, when the nursing brotherhood militarized to defend its hospital for the pilgrims in Jerusalem."

The order was first driven from Palestine, then from Rhodes, then Malta. Henry VIII hounded the Knights in England; revolutionaries seized their vast properties in France. But the order, with its noblemen from all over Europe, remained rich and influential.

"What saved us is that we never lost our usefulness, our care of the sick," Toumanoff said, talking of the Templars and the Teutonic Knights, fighting orders that disappeared. But now there was the indignity of the imposters, he continued, pointing to a rack full of files.

"There are now 22 groups imitating us. They ask for money. Some sell fakes of our diplomatic passports." One American paid $20,000 for one. A drug peddler in Australia was caught with another.

There is still a longing for a spot of territory. "It would help sell stamps for instance, a considerable source of revenue," Toumanoff confided.

The territory issue was once discussed with Charles de Gaulle. "He told the grand master: to have sovereignty one must have at least a rock," Toumanoff said.

But de Gaulle, presumably an expert in military protocol, offered "a battleship to return the grand master to Italy," he added. "He said he preferred to drive back."

PEOPLE

Pfeiffer and Freeman Honored by Film Group

The National Board of Review, the oldest U.S. film award organization, named "Driving Miss Daisy" the best picture of 1989, and chose Michelle Pfeiffer ("The Fabulous Baker Boys") and Morgan Freeman ("Driving Miss Daisy") for the best actress and best actor awards. Kenneth Branagh was named best director for "Henry V." NBR's annual awards, given since 1917, are considered a preview of the Academy Awards.

□

A survey by Spy magazine indicates the nation's most popular celebrity is the actor Mel Gibson and the least liked is Woody Allen. It said 450 randomly selected persons around the nation were surveyed by telephone for Spy's forthcoming one-hour television special, "How to Be Famous." The magazine said Gibson was followed on the best-liked list by Tom Selleck, Bob Hope, Paul Newman, Eddie Murphy, Bill Cosby, Dolly Parton and Clint Eastwood. Parton also showed up on the least-liked list along with Jane Fonda, Pee-wee Herman, Don Rickles, Joan Rivers, Zsa Zsa Gabor, Arnold Schwarzenegger, Johnny Carson, Roseanne Barr and Madonna.

□

Sting has been stung. "3 Penny Opera," a revival of the Bertolt Brecht-Kurt Weill musical starring the British rock star as Mack the Knife, will close Dec. 31 after a two-month run. It will have played 65 regular performances and 30 previews. The musical, which received largely negative reviews, has played to dwindling audiences since it opened Nov. 5.

□

A woman who left a purse containing $6,300 in the back seat of a taxicab will get the money back thanks to an honest driver, New York police said. Wee Gan, 40, found the purse in his taxi on Tuesday and brought it to a police station, said Fred Weiner, a police spokesman. Police contacted the owner from papers found in the purse, Weiner said. Her name was not made public.

□

Maria Shriver, wife of the muscular actor Arnold Schwarzenegger, has given birth to their first child, a daughter. Shriver is a television news personality and a niece of Senator Edward Kennedy.

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INTERNATIONAL REAL ESTATE MARKETPLACE

Appears on page 8

THE INTERNATIONAL BUSINESS OPPORTUNITIES HEADING

Appears on page 4

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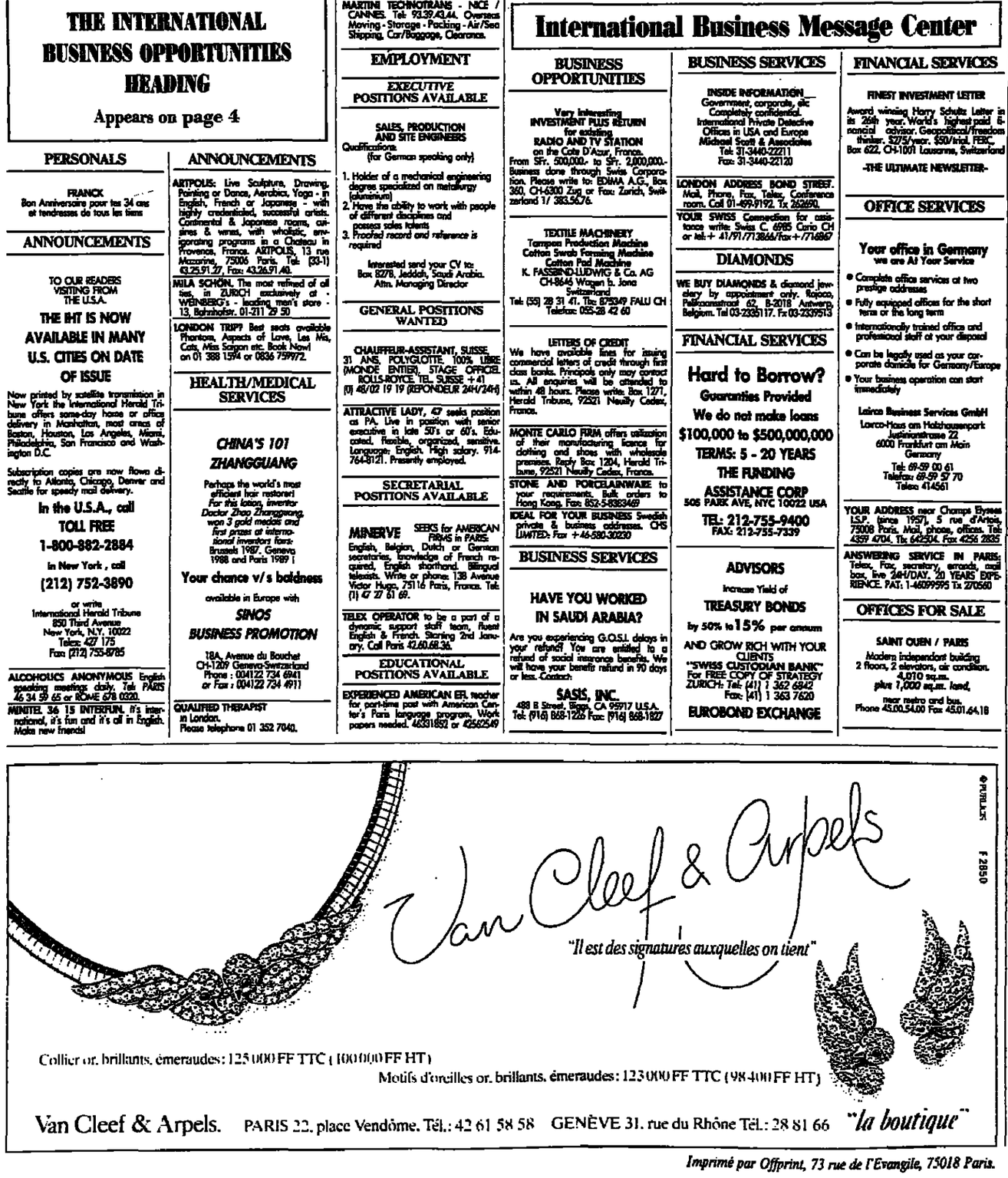

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